United Nations E/CN.3/2006/15

Economic and Social Council

Distr.: General
22 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 3 (k) of the provisional agenda*
Items for discussion and decision: development indicators

Report of the Friends of the Chair on Millennium Development Goals indicators

Note by the Secretary-General

In accordance with the request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit the present report of the Friends of the Chair on Millennium Development Goals indicators, which addresses a number of concerns related to the assessment of country capacity to produce indicators to monitor the follow-up to the United Nations Millennium Summit. The Commission is invited to review and endorse the recommendations contained herein.

* E/CN.3/2006/1.
** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.A.

05-66186 (E) 170106

Contents

		Paragraphs	*Page*
I.	Introduction	1–7	3
II.	Concerns of the Friends of the Chair	8	4
III.	Discussion of major concerns	9–31	5
	A. Availability of data on indicators	9–12	5
	B. Regional perspective	13	6
	C. Indicators	14–16	6
	D. Country data	17	6
	E. Accuracy of data on the Millennium Development Goal Indicators Database	18–22	7
	F. Metadata	23–24	8
	G. Imputed or significantly adjusted figures	25–27	8
	H. Regional commissions	28	9
	I. Advisers to decision-making bodies	29–31	9
IV.	Limitations to the database used for the report of the Statistics Division	32–36	10
V.	Metadata	37–41	11
VI.	The way forward	42–52	11
VII.	Concluding comments	53–54	13
VIII.	Recommendations	55–61	14
Annexes			
I.	Summary results of the review of the data for Finland in the Millennium Development Goal Indicators Database		15
II.	Summary results of the review of the data for Canada in the Millennium Development Goal Indicators Database		17
III.	Review of the data for Cuba and Mexico in the Millennium Development Goal Indicators Database		18
IV.	Composition of the Friends of the Chair group on indicators		19

I. Introduction

1. At recent sessions of the United Nations Statistical Commission, countries have raised a number of concerns about Millennium Development Goals (MDG) indicators. At the thirty-sixth session of the Statistical Commission, it was agreed to form a group of Friends of the Chair to:

(a) Define the modalities of a report "on the ability of countries to produce individual indicators, not imputations by international agencies, and on how metadata should be presented to accompany indicators on all Millennium Development Goals";

(b) Develop suggestions "on processes that could be used to bridge the information gaps between users and producers of Millennium Development Goals and the lack of adequate data sources".

2. The report (E/CN.3/2006/14), prepared by the United Nations Statistics Division in consultation with the Friends of the Chair, addresses the above concerns as far as available data permits, and also makes suggestions on metadata.

3. The report of the Statistics Division has been prepared on the basis of information contained in the Millennium Development Goal Indicators Database (http://unstats.un.org/unsd/mi/mi_goals.asp: hereafter referred to as the MDG database), which is maintained by the Division, although different international agencies have responsibility for its content. The report of the Division reflects the content of the database, although the Division is aware that it does not necessarily reflect the availability of national data. This has been confirmed by analysis undertaken by several individuals who are members of the Friends of the Chair group in respect of their own countries. Some examples, for illustrative purposes, are shown in annexes I to III of the present report. Nevertheless, for the purpose of this report, the analysis undertaken by the Division should provide a useful starting point for the analysis of the state of play with regard to the MDG indicators and the capacity of countries to produce them.

4. The report of the Division is the result of painstaking effort and analysis of the MDG database. The group would like to acknowledge and show our appreciation for this effort, which it has helped to form a picture of what the state of play actually is with regard to the availability of indicators.

5. The Friends of the Chair met electronically in the preparation of this report (for a full list of the members of the Friends of the Chair, see annex IV). The report reflects the views of the Friends of the Chair, for which we have tried to reach a consensus position, although it may not reflect the views of the Chairs of the Statistical Commission or the Statistics Division, although both individuals have been consulted.

6. The report will focus on criticisms and areas for improvement, but it is important to recognize that there have been substantial improvements in recent years:

(a) Of particular importance is the greatly improved collaboration among the international agencies. The establishment of the Inter-agency and Expert Group on Millennium Development Goal Indicators has been a positive development and should play a key role in continuing to improve the content of the MDG database;

(b) There has been a more concerted effort put on capacity-building, which has resulted in the increased availability of data on the MDG database and at the country level. However, as discussed later in the report, there are still many important information gaps;

(c) Some international agencies have initiated programmes to improve the availability of indicators at the country level. Countries have also made efforts to improve the availability of data;

(d) The Marrakesh Action Plan for Statistics is a particularly important initiative that deserves the full support of the international statistical community.

7. We have also received the minutes of the meeting of the Inter-agency and Expert Group, held in Rome from 24 to 27 October 2005, at which there seemed to be a genuine commitment to address the shortcomings of the MDG indicators. In addition, there was a commitment by all agencies to provide, from now on, data series on the basis of a new agreed format, including metadata and specifications on how the figures were obtained, whether they are based on country data and whether or not they have been adjusted. Furthermore, the Inter-agency and Expert Group has formed a committee, composed of both agencies and national statistical offices, to advise on the restructuring and redesign of the whole database and website, including the presentation of metadata and a description of the methodology for the calculation of regional and global figures. Work has already been initiated and the Statistics Division has developed a prototype of the new website.

II. Concerns of the Friends of the Chair

8. A summary of the main concerns of the group follows (a more detailed analysis is contained in section III below):

(a) As a rough guide, meaningful analysis of an indicator at the global level would require that at least two thirds of countries (where the indicator is relevant) should be able to report at least two measures of it during the time period covered (1990-2005) in order to get an idea of trend. Only 33 per cent of indicators satisfy this criteria (that is, only 33 per cent of indicators had at least two data points available for them in at least two thirds of the countries, this includes country-modified data);

(b) For some regions, the situation is even worse. For developing countries, the target of the MDG initiatives, it is generally worse;

(c) Some indicators are particularly poorly reported;

(d) The focus of the *The Millennium Development Goals Report 2005* was at the global level and, to a lesser extent, the regional level. However, for the Millennium Project to be successful, MDGs have to be achieved at the country level. This requires reliable data at the country level;

(e) It appears from case studies of several of the countries represented in the Friends of the Chair group that there are more data available in the countries than is suggested by the MDG database (see annexes I-III). The annexes also show some substantial differences between data held by countries and that reported by international agencies;

(f) Although considerable effort went into providing metadata to support the MDG database, it fell well short of what is desirable. There are two main problems:

(i) Metadata is the responsibility of the international agency that provides the data. The quality of this metadata varies considerably across agencies and, in some cases, is almost useless;

(ii) For a large proportion of the indicators, there is no meaningful information provided about how the published data were derived. Since a basic yardstick of any scientific work must be reproducibility, such lack of transparency is a serious source of concern;

(g) There are serious concerns about the use of imputed or significantly adjusted figures for countries. Because these figures are presented in a United Nations database, they are regarded by many as having high integrity, yet in many cases they do not reflect reality;

(h) Despite the increasing importance of statistics and the push towards evidence-based decision-making for assessing the effectiveness of programmes, the statistical activities of several regional commissions have been downgraded since the initiation of the MDG initiative. The case of the Economic and Social Commission for Asia and the Pacific is one recent example. Yet the regional commissions should play an important role in statistical development within a region, as they do in the case of the Economic Commission for Europe;

(i) Not unrelated to this is the apparent lack of understanding of many advisers to United Nations decision-making bodies of the importance of accurate statistics to the making of effective international policy. This is clearly detrimental to potential measures designed to address statistical capacity problems at the country level.

III. Discussion of major concerns

A. Availability of data on indicators

9. The Statistics Division has produced tables (see E/CN.3/2006/14, tables 3 and 4), showing both the availability of data on indicators and whether two or more observations exist since 1990 to enable assessment of trends.

10. There are some important observations to make. First only 33 per cent of indicators have two or more data points in at least two thirds (or 67 per cent) of the relevant countries. National statistical offices would find a response rate of 67 per cent to be barely acceptable. Many of the global and regional assessments are therefore at risk of non-response bias.

11. Furthermore this level of "response rate" is based on the assumption that country-modified data can be treated as country data, although some countries will argue that country-modified data is not accurate at least for some indicators. Another 10 per cent of indicators are available for at least two thirds of countries, but only have one observation, which is clearly inadequate to assess trends.

12. The information presented in annexes I to III of the report of the Statistics Division show that more data and more up-to-date data might be available than

suggested by the MDG database. Coordination and links with national Governments will need to be improved if the available data is to be fully utilized. This is discussed further below.

B. Regional perspective

13. The tables produced by the Statistics Division show that the level of reporting for indicators is particularly bad for some subregions and tends to be worse for the smaller countries. The data should be used to help develop strategies for improving statistical capacity at the regional or subregional levels. However, for small countries in particular, the implicit overheads must be taken into account. The focus should be on those indicators that are most relevant to their circumstances. A "not applicable" categorization may well be sensible for some of the less relevant indicators for smaller countries.

C. Indicators

14. The indicators for which data is available at the country level for a relatively small number of countries, or in some cases no countries, are:

- Ratio of area protected to maintain biological diversity to surface areas
- Proportion of households with access to secure tenure
- Proportion of population with access to affordable drugs on a sustainable basis.

15. These indicators should either be deleted or amended to make them more amenable to data collection, or, alternatively, special effort should be put into setting up data collections to provide the information.

16. As a general rule, when making recommendations about "good indicators", two main criteria should be kept in mind:

(a) Favour those indicators that are closely related to existing data collection programmes, especially in developing countries; ad hoc indicator demand should not interfere with building up a sound basic statistical system in a country;

(b) Favour those indicators that are well established, that is, conceptually clear, with sound methodologies and metadata.

In assessing the capability of a country's statistical system to measure MDG indicators, one should examine quality as well as availability, a point which has been emphasized by several members of the Friends of the Chair group, who are concerned about the quality of the indicators.

D. Country data

17. There are many actors with influence on the progress towards the achievement of the MDGs, but Governments clearly have primary responsibility. As a consequence, effective monitoring of progress towards achievement of MDGs is first and foremost dependent on the availability of national or country-level data.

Great importance is therefore attached to country capacity in providing, and standing by, country-level MDG indicators. While it is understandable that the 2005 MDG report focused on the global situation, with some regional analysis, it is nonetheless clear that the necessary statistical information is available for many countries. We note that national reports have now been produced for 149 countries.

E. Accuracy of data on the Millennium Development Goal Indicators Database

18. For most of the MDGs, more data is generally available at the national level, and possibly used in MDG country reports, than is presented in the MDG database. There are a number of contributing reasons, including the fact that countries find that the mechanism of reporting to international agencies is not always effective: sometimes they do not respond to requests for information; and sometimes they are not even asked. This is compounded by lack of coordination in many countries between the national statistical office and the statistical units associated with various ministries (for example, health and education). Furthermore, improvements are needed to the modalities that the international agencies use to consult with national statistical systems to verify estimated figures.

19. Clearly, reporting mechanisms between national statistical systems and international agencies need to be improved, including much better coordination within national statistical systems than that which currently pertains. International agencies could use their leverage to help make this happen. Should national statistical offices be given greater responsibility for the coordination of data requests associated with the MDGs, which would make their role as the responsible bodies within countries much clearer? The Division would argue that this should be the case.

20. At its meeting in October, the Inter-agency and Expert Group agreed that, as a first step, all partner agencies would provide a brief description of the mechanisms they have in place to gather data from countries, their methods to ensure compatibility across countries to fill in data gaps and modalities of consultation with national statistical authorities. This work needs to be taken to a sensible conclusion. The lack of coordination between the international agencies and countries is a major factor in the shortcomings of the MDG database.

21. A "business process" approach should be taken to resolve this problem. As a first step, the fundamental constraints, problems and obstacles being faced in providing MDG indicators must be understood. This needs to be done from the perspective of:

(a) The Statistics Division as the custodian of the MDG database;

(b) The international agencies (noting that the Inter-agency and Expert Group has already commissioned work along these lines);

(c) The providers of indicator information within countries;

(d) The national statistical offices, which should be important providers of information on indicators as well as having a coordination role vis-à-vis the providers of statistics within countries.

22. The nature of this problem must be understood before strategies are developed to resolve it. One key strategy should be to develop a business process map for the collection of MDG indicators. The use of a business system analyst to assist with this work is highly recommended. It is the representatives of developing countries among the Friends of the Chair group who feel most strongly about the need for a revised and more systematic approach to the collection of data on MDG indicators.

F. Metadata

23. There are a number of different elements to metadata which are discussed in section V below. Three essential improvements are:

(a) International agencies need to improve their description of the manner in which they adjust current data in order to resolve any confusion, since country-level data on the MDG database is used, and assumed to be correct, by many users. The strong preference is to use data collected by individual countries wherever possible;

(b) In cases where international agencies make country-level estimates in the absence of country data, the method used should be fully documented;

(c) The implication of the limitations of the data in the MDG database should be articulated and prominently highlighted, both in the introduction and in the executive summary, of future reports on progress in achieving MDGs.

24. The performance of the international agencies in providing metadata varies considerably, with some reporting valuable statistics while others have definite plans to improve their metadata. The situation tends to be worse in the case of agencies where statistical activities are not well developed. Many national statistical offices run client satisfaction surveys as a routine way of getting feedback on the quality of their services. A similar process should be put in place by the Statistics Division in order to obtain feedback on the MDG database, particularly in respect of metadata.

G. Imputed or significantly adjusted figures

25. What is particularly worrying for many countries is the extent of significantly modified or imputed data. This issue was tabled at the thirty-sixth session of the Statistical Commission, at which South Africa made a statement highlighting its concern. It has been raised repeatedly at international conferences by many countries.

26. Two examples of the nature of this problem are provided here:

(a) For Finland, indicator 32 (on slum dwellers) in the MDG database shows a percentage of 5.6 per cent, which is much higher than the actual situation in the country. Statistics Finland investigated how the figures were derived and found that it was an imputed figure based on an estimate for Europe as a whole, including countries with considerably lower per capita gross domestic product (GDP) than Finland;

(b) For South Africa, HIV prevalence rates were estimated by Statistics South Africa at 15.6 per cent for 2002. This was based on an extensive study involving external demographers. The corresponding figure from international

agencies was 6.5 per cent higher. Statistics South Africa believes that there is no compelling evidence to suggest that its estimate should be revised.

In the second example, the differences between the national and international estimates have been subject to public debate.

27. Oftentimes, the reasons for the differences in data are not sufficiently transparent. This situation needs to be addressed. This is best done through annotations to indicators with supporting metadata. Nevertheless, the question of whether data should be imputed to the extent that it is remains. Imputed data does not help analysis at the country level. For the purpose of monitoring progress against MDGs at the global and regional levels, the key is to have sufficient representative countries rather than data for every country. More meaningful analysis would be obtained by having more reliable data for fewer countries, rather than imputing data using dubious methods. The Friends of the Chair recommend that there be no imputation of data at the country level unless the methodology has been reviewed and approved by an international panel of experts.

H. Regional commissions

28. Implementation of large global programmes requires regional involvement to make them manageable. Since there is greater homogeneity of countries at the regional level, or at least at the subregional level, for most of the regions, it is possible to make activities relevant to regional conditions. The regional commissions and associated subregional bodies have historically played a pivotal role in the implementation of global programmes. They have hosted seminars, workshops and meetings. They have developed training programmes and have assisted with the preparation of guidelines that are relevant to the region. This has been done with the guidance of the countries of the region, in particular in identifying their most important needs. In addition, several regional organizations have initiated work to improve the reliability of indicators within their regions. However, with the notable exception of the Economic Commission for Europe, there seems to be a trend towards weakening the statistical activities of the regional commissions. At its thirty-third session in 2002, the Statistical Commission expressed concern about the reduced importance being attributed to statistics in many regions. Unfortunately, the situation has worsened since that time. Such developments will not help in the coordination of efforts required to support MDGs at the global, regional and national levels. One member of the Friends of the Chair group stated that it was difficult to get more support on statistical activities from Governments when regional advocacy on statistical development has been reduced.

I. Advisers to decision-making bodies

29. It is a fact that the decision-making bodies of the United Nations have not taken the shortcomings presented by statistical experts seriously enough. Decisions relating to future international statistical activities are influenced by the recommendations of advisers who often do not fully understand the importance of the availability of factual information for effective decision-making. It is regrettable that at the 2005 United Nations World Summit on the MDGs, shortcomings in

statistics did not warrant a mention, even though a number of directors of national statistical offices provided strong briefings.

30. Advisers will continue to play an important role in international decision-making bodies, and communication with these important intermediaries should be improved so that they can assist in better developing the case for statistical development with the international bodies.

31. With respect to individual international agencies, the message is mixed. Some agencies regard statistical development as a high priority and have devoted considerable effort to their development, with genuine interest in progress by their executives. There are others, however, who clearly regard reliable statistics as a low priority. In the absence of reliable statistical information, decision-making tends to be based on advocacy and anecdote.

IV. Limitations to the database used for the report of the Statistics Division

32. As mentioned above, the analysis carried out by the Statistics Division has some shortcomings, although it was the best that could be done in the time available. The main purpose of the present report is to summarize the key messages arising from the analysis, but it might also be useful to summarize our key concerns about its limitations.

33. Our first concern is that selected country level studies have shown that the MDG database does not accurately reflect the availability of data at country level (see annexes I to III for specific details).

34. Our second concern was that for the country-modified estimates, it was not possible to distinguish the "slightly modified" from the "significantly modified" estimates of indicators. We recognize that some modification may be necessary to ensure international comparability, but if country-level data has to be significantly modified, it could indicate a concern about capacity, methodological development and so forth. From a country perspective, differences can lead to a loss of confidence in the figures produced by national statistical offices. It may also result in loss of confidence in the statistical work of the international agency.

35. Our third concern is that the tables do not distinguish between indicators based on surveys conducted by national statistical offices (perhaps with funding assistance) or those conducted by international agencies. In the latter case, countries may not have the statistical capacity that is implied by referring to it as "country" data.

36. Our fourth concern was that it was not possible to accurately distinguish between situations where: (a) country data was not available for the indicators; and (b) the indicator was not relevant owing to the policy of a particular country. To make this distinction, an algorithm was developed by the Statistics Division based on whether an international agency considered a country policy relevant for its statistical work or not. If not, data was regarded as not applicable (NA). Clearly this dissection has weaknesses and it has been decided to collect this information more directly in future.

V. Metadata

37. The development of metadata is a large and complex task. In the case of the MDG database, there is the advantage of having some experience of what worked well and not so well. Upgrading the database should still be regarded as a significant project management task with appropriate governance arrangements in place. The Statistics Division should be regarded as the leader in this work but it should seriously consider the engagement of an international advisory panel to provide assistance.

38. Metadata should be prepared according to an agreed framework giving a proper description of what constitutes such data. A framework could be based on the following structure.

- Discovery metadata: in order to support searches for the availability of the data. Standards such as the "Dublin Core metadata initiative" already exist
- Quality metadata: in order to enable users of the data to judge its fitness for purpose. A key element is a description of how each data point was created
- Metadata about meaning: to understand content, concepts and definitions. The International Organization for Standardization (ISO) standards exist.

The experience of the current system is also very relevant.

39. Recent steps that have been taken to revise the MDG website and database are described in the report of the Statistics Division (E/CN.3/2006/14, annex III). This is a very important initiative and has our full support. We suggest, however, that the development team seek further client feedback before taking this much further. The offices of the Friends of the Chair may be a good source of feedback. Many members of the group have had experience exploring the metadata as a result of this exercise.

40. There is also need for the systems and documentation to support the metadata components. This is particularly important given that a devolved model is being used for creating and storing metadata.

41. The proposed system has to be populated and updated as to meet changing circumstances. There should be a review/monitoring mechanism. Feedback is important, particularly in instances where the metadata has significant deficiencies.

VI. The way forward

42. One of the key problems is the lack of awareness among many users of the extent of the shortcomings of the MDG database and the importance of rectifying these shortcomings for effective policy analysis. The words in *The Millennium Development Goals Report 2005* were somewhat muted and didn't get much attention:

> "Presenting aggregate figures for all regions also obscures another reality: the lack, in many parts of the developing world, of adequate data to assess national trends and to inform and monitor the implementation of development policies."

Which is not surprising since the next paragraph implied the international statistical community had the problem in hand:

> "The international statistical community is well aware of these shortcomings and is supporting efforts to improve the production of data at the national level."

43. It is also of relevance that, despite strong briefings from several national statistical offices, the potentially misleading conclusions from having inadequate information on MDG indicators did not rate a mention at the 2005 World Summit.

44. There is a need for the international community, Member States and their advisers to better understand the serious shortcomings in MDG indicators and the potential impact. They also need to understand where effort can be best deployed to redress this situation. This may be best achieved by a resolution of the Statistical Commission and the Friends of the Chair recommend that a resolution be drafted for consideration by the thirty-seventh session. Related to this is the need to considerably improve the dialogue between the users and producers of MDG information.

45. Many of the initiatives to improve MDG indicators have already been initiated and have been identified in the Marrakesh Action Plan for Statistics, which the group supports.

46. The initiatives we think are very important are:

- The 2010 round of population censuses
- Assistance to countries in preparing national statistical development strategies and getting support for these strategies from their own Governments
- Developing the capacity of the International Household Survey Network to share knowledge across countries
- Increased financing for statistical capacity-building.

These initiatives, if successful, will considerably enhance statistical capacity.

47. Some focus should be placed on the study of specific indicators, particularly where there appear to have been problems. There have been studies by some regional commissions of the ability of countries to provide reliable data on MDG indicators (for example, the Economic Commission for Europe). We would encourage other regional commissions to do likewise. This can be fed into the deliberations of the Inter-agency and Expert Group and used as part of the process of determining the best way forward for particular indicators.

48. We are aware of specific initiatives to upgrade sets of indicators. One such programme is the Literacy Assessment and Monitoring Programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO). The programme consists of a household survey to be designed by the UNESCO Institute for Statistics to assess literacy levels. This type of initiative should be applauded, but there is low awareness among national statistical offices of this and other programmes to improve MDG indicators. In addition, we are not sure how much country participation there has been in the development of these programmes. We propose that the Inter-agency and Expert Group document the list of international programmes to improve indicators. We also propose that there be some consultation

with countries on the extent to which they want to be involved in these programmes, and the role of national statistical offices. The Friends of the Chair group, if its mandate were to be extended, could be a sounding board for this purpose.

49. We strongly recommend that the Inter-agency and Expert Group agree on an upgraded reporting system to improve the standard of reporting of countries to the international agencies. The Statistics Division should take the lead in developing the reporting system. We are pleased that the Inter-agency and Expert Group, at its meeting in October 2005, agreed to take steps in this direction. Communication between international agencies and countries, and within countries, seems to be a major source of concern.

50. We also strongly urge that the standard of metadata should be improved. The Statistics Division should take the lead in developing the framework and standards for such data, including the systems and protocols to capture the data. The Division should provide necessary training to ensure completion of this task, which will not be possible without the cooperation of international agencies. Although it is pleasing to note that many international agencies are making deliberate steps to improve the metadata to support MDG indicators, some are lagging well behind. Pressure needs to be put on these international agencies to ensure they bring their metadata up to standard.

51. There are a number of initiatives in place, supported by the Inter-agency and Expert Group, to improve the MDG database managed by the Statistics Division. We support these initiatives. The key is accurate content — both indicators and supporting metadata. Although the availability of indicators for country are less than desirable, we were surprised at the extent to which the MDG database did not accurately capture data that already exists at the country level. There needs to be a better understanding of why this is the case prior to developing processes to improve the situation.

52. One issue that has caused much contention at recent sessions of the Statistical Commission is the indicators associated with Goal 8. Although many of the indicators associated with Goal 8 are completed quite well, the availability of data and measurement issues on several of the indicators (for example tariffs, subsidies, and official development assistance) are not really statistical issues. The sessions of the Statistical Commission, a technical not a political forum, are not the proper place for a debate on these matters. The group proposes that the Statistical Commission focus on improving those indicators for which it has real expertise.

VII. Concluding comments

53. Despite improved collaboration among international agencies and improvement in the data available to support indicators, the quality and availability of data is not yet sufficient to reliably monitor progress in the achievement of MDGs. We are particularly concerned by what we view as grossly inadequate awareness of the shortcomings of the MDG database by its main users. Such awareness is an essential prerequisite for effective remedies, and without effective remedies we will not be able to assess the extent of progress, or the lack of it, towards the realization of the Goals.

54. We have suggested some ways forward, most notably in section III.F above, and propose that the Statistical Commission debate these ideas at its thirty-seventh session in March 2006.

VIII. Recommendations

55. **There is a need for the international community, individual countries and their advisers to better understand the serious shortcomings in MDG indicators. To improve their awareness, it is recommended that a resolution be drafted for consideration at the thirty-seventh session of the Statistical Commission (see paras. 42-44).**

56. **A number of initiatives to improve MDG indicators have been outlined in the Marrakesh Action Plan for Statistics. We recommend strong international and national support for its successful implementation (see para. 45).**

57. **Owing to communication problems between international agencies and countries, and within countries themselves, the MDG database does not accurately reflect the availability of national data. We recommend that a business process analysis, led by the Statistics Division, be undertaken to assist with the design and development of strategies to improve the collection of data for the MDG database (see paras. 21 and 22, 49 and 51).**

58. **The metadata supporting the MDG database is of unacceptably poor quality. We recommend strong support for continuation of the initiative of the Inter-agency and Expert Group, led by the Statistics Division, to improve the availability and quality of metadata supporting the MDG database (see para. 51).**

59. **There are more problems with some indicators than others. There should be a specification of the programmes aimed to improve these indicators. Countries, or at least a representative set of countries, should be consulted on the nature of these programmes (see paras. 47 and 48).**

60. **Imputed data is cause of major concern to most countries. We recommend that there be no imputation of data at the country level unless the methodology has been reviewed and approved by an international panel of experts (see para. 27).**

61. **Client satisfaction surveys should be introduced to provide regular feedback on the quality of the data and metadata (see para. 24).**

Annex I

Summary results of the review of the data for Finland in the Millennium Development Goal Indicators Database

General comments

- It was not always easy to find out which series in the MDG Indicators Database correspond to different indicators in the tables produced by the Statistics Division. In addition, for the outside user of the database, the large number of series can be confusing. It may be difficult to notice what are the actual MDG series. Even in this summary, 61 series of indicators are presented.
- The use of the code "na" in the tables is not correct. We are accustomed to thinking that "na" is an abbreviation of "not available", and for that reason we would prefer that some other code be used for "not relevant".

The summary of the analysis of data accuracy and data origin

- There are 25 indicators with the code "C" (= country data) in table II. There are serious errors and/or incomplete data in 7 of them (= 28%). Indicators with erratic/incomplete data include those for child mortality and education enrolment. The definition for indicator 23b (= Tuberculosis) is unclear, the type of tuberculosis should be defined. An alternative way to define the indicator 13 (= Under five mortality rate ...) would be preferable: the "under five"... rate should be replaced by "1-4 years" or by "28 days to 4 years".
- There are 13 indicators with the code "CM" (= country data modified) in table II. At least in two of them there are errors and incomplete data (= Maternal mortality rate and Tuberculosis death rate). Also the data for indicator 3 (= Poorest quintile's share ...) should be shown as C instead of CM. "The two malaria indicators" with codes CM are not at all relevant in Finland. CM should be replaced by "na" (or with a more appropriate code for non-relevancy of the data).
- There are 3 indicators with the code "E" (= estimated by international agencies) in table II. They are all incorrect in the case of Finland. Indicators 17 (= Proportion of births attended by skilled health ...) and 32 ("Slums"...) are not at all relevant in Finland. Indicator 48a (= Personal computers ...) should be shown as CM.
- There are 13 indicators with the code "." (= no country data) in table II. There are, however, data available, for example for literacy of youth in Finland (= indicators 8 and 10), but in most cases the data marked in this category are not at all relevant in Finland. That is case with data for indicator 4 (= Prevalence of underweight ...) and with data for most of the AIDS/HIV indicators and all the four malaria indicators. The data should be marked as "na" (or with a more appropriate code for non-relevancy of the data).

- There are 7 indicators marked with the code "na" (= not applicable) in table II. Actually the figure for not relevant indicators should be at least 15 (see the previous item).
- There are also some cases where the sources of information or methodology used are not well enough known. For example, indicator 29 (= proportion of population using solid fuels) and indicator 9 (= ratio of girls to boys in ... education) were difficult to verify because of the incomplete source or methodological information.

Annex II

Summary results of the review of the data for Canada in the Millennium Development Goal Indicators Database

The following is a quick summary of our review of the accuracy of the United Nations Millennium Development Goal Indicators Database as it pertains to Canada.

- Of the data that are marked "C" (country data), about one third had serious differences from our own sources: either in the actual data or in the number of available data points. For example, indicator No. 13 (under-five mortality rate) is shown as having 4 country data points ranging between 7 and 9; in fact, we have 12 points (one per year) and they range between 0.2 and 0.3 per 1,000 population.

- The data shown as "CM" (country data modified) also show about one third being seriously wrong. Again, there are examples of similar error ranges. For example, the United Nations database shows three data points for indicator No. 16 (maternal mortality ratio) whereas we have data for every year (13 years). And the data entered for this indicator show this indicator to be 6 for each of the three years; whereas the correct rate for the three years in the United Nations database are 2.5, 4.5 and 3.4, respectively. Incidentally, it is not clear why this indicator is shown as "CM" when in fact it should be "C".

- For about a quarter of the indicators shown as *.* (no country data), we do have data. For example, indicator No. 10 (ratio of literate women to men) is shown as having no data for Canada; in fact, we have at least three censuses within this period from which indirect data could be derived (highest grade of school completed). Furthermore, we participated in two rounds of the International Literacy Survey, from which direct measures of literacy can be derived.

- There are three indicators marked as "E" (estimated by international agencies). Again one of these (one third) is incorrect. For several of the years involved, we have direct measures of the number of households with computers at home, as well as the number of persons with access to computers at work.

- In a number of cases we could not verify the information because the source of the information was not known.

In summary, of the instances that we could verify, we found serious discrepancies in at least one third of the entries. I emphasize "serious", because in the case of lesser discrepancies we credited the information as being correct.

Annex III

Review of the data for Cuba and Mexico in the Millennium Development Goal Indicators Database

Cuba

- Data was available at country level for six indicators, although the database indicated that it was estimated or not available.
- For nearly all indicators, there were more time points than suggested.
- For many indicators, there were more recent country level data available than indicated in the MDG database.
- For eight indicators, the correct description should be CM rather than C.
- For one indicator, the correct description should be E rather than C.

Mexico

- Data was available at country level for four indicators, although the database indicated it was estimated or not available.
- For nearly all indicators, there were more time points than suggested.
- For one indicator, the correct description should be not available rather than C.

Annex IV

Composition of the Friends of the Chair group on indicators

Australia	Dennis **Trewin** (Convenor)
Canada	Ivan P. **Fellegi**
Chile	Maximo **Aguilera Reyes**
Cuba	Oscar **Mederos**
Finland	Heli **Jeskanen-Sundstrom**
Ghana	Grace **Bediako**
Iceland	Hallgrimur **Snorrason**
Italy	Luigi **Biggieri**
Jamaica	Sonia **Jackson**
Mexico	Gilberto **Calvillo Vives**
Russian Federation	Vladimir **Sokolin**
South Africa	Pali **Lehohla**
Thailand	**Sue** Lo-Utai
United States of America	Katherine **Wallman**

United Nations E/CN.3/2006/16

Economic and Social Council

Distr.: General
22 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (a) of the provisional agenda*
Items for information: population and housing censuses

Population and housing censuses

Report of the Secretary-General

Summary

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-sixth session.[a] It summarizes activities regarding the role of the United Nations Statistics Division as secretariat of the 2010 World Programme on Population and Housing Censuses; work on the revision and update of the United Nations *Principles and Recommendations for Population and Housing Censuses* by a United Nations expert group, specifically the recommendations of the expert group meeting held in New York from 22 to 26 August 2005; the adoption by the Economic and Social Council of resolution 2005/13 on the 2010 World Programme; and the coordination of regional activities in preparation for the 2010 round of population and housing censuses.

[a] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2005/24-E/CN.3/2005/27), chap. IV, para. 12.

* E/CN.3/2006/1.

05-66202 (E) 170106

I. Introduction

1. At its thirty-sixth session, the Statistical Commission requested that the United Nations Statistics Division proceed with its work on the revision and update of the *Principles and Recommendations for Population and Housing Censuses* by convening an expert group meeting on the 2010 World Programme on Population and Housing Censuses; that the Division act as the umbrella body for setting standards; and that the umbrella strategy evolve around regional arrangements.

II. Setting up the 2010 World Programme on Population and Housing Censuses

2. In its resolution 2005/13, the Economic and Social Council emphasized the three main goals of the 2010 World Programme: conducting at least one population and housing census in every country or area in the period 2005-2014; producing an updated version of the *Principles and Recommendations*; and providing a platform for the comprehensive exchange of experience, participation by countries, technical assistance, information and data dissemination. The resolution provides a clear mandate to proceed with the implementation of the 2010 World Programme.

3. In the reporting period, the United Nations Statistics Division, in its work on the revision of the *Principles and Recommendations* and following the recommendations of an expert group on the 2010 World Programme, developed a framework of three working groups and a drafting group, with each working group focusing on specific component parts of the principles and recommendations: (a) standards, framework and a core set of topics; (b) census planning and management; and (c) promotion of censuses. An interactive electronic forum was also established to facilitate the exchange of opinions, comments and suggestions.[1]

4. Based on those preparations, the Division convened an expert group meeting on the 2010 World Programme in New York from 22 to 26 August 2005. The report of that meeting is available as a background document in the room and on the Division's website.[2] The expert group endorsed the activities conducted to date, such as establishing and operating an interactive discussion forum and e-mail system for the 2010 World Programme; the online collection of questionnaires for the 2000 round of censuses; special issues of the *Demographic Yearbook* on population censuses; and the development of the Census Metadata Database. In response to the expert group's recommendation regarding presenting data on the website, a technical subgroup on alternative designs designed a separate area on the Division's website to provide information on national practices related to alternative census designs.[3] Also, census questionnaires from 133 population and/or housing censuses used for the 2000 round of censuses have been scanned and posted on the same website,[4] providing a methodological base for building on past experience.

5. Also, participants endorsed the inclusion in the revised *Principles and Recommendations* of a core set of topics to be collected and of outputs that every country should produce at least once in the period 2005-2014. That core set of outputs, designed with the aim of presenting a detailed national profile at the lowest geographical level at a given point in time, is required for planning national policy and distribution of resources; research and advocacy; monitoring the goals that form the basis of the recommendations of major international conferences; and improved

national and international comparability. In implementing that recommendation, a technical subgroup on the core set of topics and tabulations of the expert group on the 2010 World Programme met in Dublin from 13 to 15 October 2005 and proposed a central building block, consisting of 41 recommended tabulations and featuring 33 core topics that each country or area would need to generate at least once in the period 2005-2014.[5] The United Nations Statistics Division developed a strategy to introduce the central building block at regional and subregional meetings, thus responding to the request of the Statistical Commission concerning the coordination of population and housing census data dissemination and international and intraregional comparability.

6. In emphasizing civil registration and vital statistics as essential components of the 2010 World Programme, the United Nations Statistics Division continued related activities by substantially servicing a workshop on the theme "Strengthening the capacity of civil registration and vital statistics systems in Caribbean Community (CARICOM) member States: improvement of statistics on fertility and mortality", held in Georgetown from 4 to 6 April 2005; participating at an international meeting of directors of national statistics and national health statistics, held in Buenos Aires on 21 and 22 November 2005; and issuing regularly, in hard copy[6] (semi-annually) and on the website (bi-weekly)[7] the *Population and Vital Statistics Report*, featuring basic statistics from population censuses and civil registration. In the field of international migration statistics from administrative sources, a new *Demographic Yearbook* questionnaire was developed and disseminated to all national statistical offices in 2005 and the Division provided substantial support to the Economic and Social Commission for Western Asia (ESCWA) by conducting an expert group meeting on international migration statistics in Cairo, from 14 to 16 November 2005.

7. In implementing the 2010 World Programme, the regional commissions undertook the activities described below.

8. The activities of the Economic Commission for Africa (ECA) related to the implementation of the 2010 World Programme involve participation in the work of the expert group on the 2010 World Programme. In an attempt to summarize experience from the 2000 round of censuses in Africa, ECA administered a questionnaire to the 53 national statistical authorities; approximately 23 per cent provided replies. ECA participated in the initial meeting on implementation of the 2010 World Programme organized by the United Nations Statistics Division in Yaoundé, on 25 November 2005. ECA is participating in a regional meeting on the 2010 round of censuses scheduled to be held in South Africa and expected to address issues relevant to the *Principles and Recommendations* and the implementation of the 2010 World Programme.

9. In implementing the 2010 World Programme, the Statistical Division of the Economic Commission for Europe (ECE), in collaboration with the Statistical Office of the European Communities (Eurostat) and under the work programme of the Conference of European Statisticians (CES), has continued the preparation of the *Conference of European Statisticians Recommendations for the 2010 Censuses of Population and Housing*. In December 2005, a meeting of census experts from the CES countries was held to review the first draft of the CES *Recommendations*; the meeting was jointly organized by ECE and Eurostat, in collaboration with the United Nations Population Fund (UNFPA). A final draft is expected to be prepared by an ECE steering group on population and housing censuses in March 2006, for

submission to CES in June 2006. ECE is also finalizing a publication on the experience of ECE countries in carrying out their census in the 2000 round; it will provide an overview of the census methodology and technology used in the last round, as well as information on the topics included in the last round and the definitions and approaches adopted.

10. During 2005, the Economic Commission for Latin America and the Caribbean (ECLAC) made available on its website the major outcomes of a seminar held in December 2003 in Santiago on the lessons learned from the 2000 round of population and housing censuses in Latin America. Topics included census organization; coverage; cartography; training and use of sampling; new technologies; data processing; and characteristics of dwellings, households and persons. Moreover, in-depth studies were promoted and special studies on vulnerable population groups, including indigenous peoples and ethnic groups, were undertaken. Three atlases (Bolivia, Panama and Ecuador) were published, demonstrating significant gaps between indigenous and non-indigenous populations in socio-demographic indicators, including several indicators related to the Millennium Development Goals. As part of a project funded by the Inter-American Development Bank, ECLAC provided technical support to countries to promote access to and use of census databases. Currently, several Latin American and Caribbean countries allow online census data processing via the Internet. ECLAC, together with CARICOM and UNFPA, continued supporting Caribbean countries in census data processing and provided technical support to initiate census evaluation and analysis. Technical assistance has also been provided to Colombia, Nicaragua and Peru, which conducted their censuses in 2005. Finally, technical assistance has been provided to African countries for census data processing using REDATAM software developed by ECLAC, including online census data processing.

11. The Economic and Social Commission for Asia and the Pacific (ESCAP) carried out during May-July 2005 a metadata survey on past experience and future plans of its member countries concerning population and housing censuses. Results of the survey were coded in a metadatabase and shared with other global partners. ESCAP participated in the revision process of the *Principles and Recommendations*. ESCAP will finalize the design of its regional programme on population and housing censuses articulated along the priority areas set out by Asia and Pacific experts: (a) planning and financing of censuses; (b) effective use of information technology and geographical information systems; (c) using the census for measuring emerging issues; and (d) analysis, dissemination and utilization of data. The regional census programme is expected to be conducted in full cooperation with global, regional, subregional and national partners.

12. In implementing the 2010 World Programme, the ESCWA Statistical Committee recommended at its sixth session the establishment of a task force on population and housing censuses. At its first meeting, held in Cairo in November 2005, the task force established its terms of reference, with support from the United Nations Statistics Division and the ESCWA Statistics Coordination Unit. In particular, the task force will provide substantial input to the process of reviewing and updating the *Principles and Recommendations*; agree on a core set of topics and outputs that should be collected from population and housing censuses to reflect the specificity of the region; and develop mechanisms to more closely coordinate national population censuses in the region. Four working groups were established to elaborate on specific issues. In addition, ESCWA established a trust fund to support

the work on population and housing censuses in the region; the Ministry of National Economy of Oman has provided funds in the amount of US$ 50,000.

Notes

[1] See http://unstats.un.org/unsd/globalcensusforum/.

[2] See http://unstats.un.org/unsd/demographic/meetings/egm/CensusEGM05/ac104_L4.pdf.

[3] See http://unstats.un.org/unsd/demographic/sources/census/alternativeCensusDesigns.htm.

[4] See http://unstats.un.org/unsd/demographic/sources/census/censusquest.htm.

[5] A document containing this proposal is before the Commission as a background document.

[6] *Population and Vital Statistics Report* (United Nations publication (ST/ESA/STAT/SER.A/234-235)).

[7] See http://unstats.un.org/unsd/demographic/products/vitstats/seriesa2.htm.

United Nations E/CN.3/2006/17

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (b) of the provisional agenda*
Items for information: health statistics

Report of the World Health Organization on health statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit to the Commission the report of the World Health Organization on health statistics. The Commission is requested to take note of the report, which is submitted for information.

* E/CN.3/2006/1.

** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-64648 (E) 050106

Report of the World Health Organization on health statistics

Introduction

1. The Statistical Commission, at its thirty-fifth session held from 2 to 5 March 2004, called for the establishment of an intersecretariat working group on health statistics to develop a coordinated and integrated agenda for the production of health statistics and agree on standard definitions, classifications, and methodologies in health statistics, taking advantage of existing mechanisms wherever possible, and involving the community of official statistics at all stages, especially country experts;[1] and at its thirty-sixth session held from 1 to 4 March 2005, called for an update on the release of the microdata from the World Health Survey (2002-2003) with appropriate metadata.[2]

2. The present brief report describes progress in these two areas and summarizes ongoing efforts to strategically coordinate the generation of health statistics and to support countries in strengthening their health information systems accordingly.

I. Collaboration between the World Health Organization (WHO) and statistical constituencies: Health Metrics Network

3. The Health Metrics Network (HMN) was officially launched at the World Health Assembly in May 2005. The Network's Board membership reflects the strong focus of the collaboration on bringing together the health and statistics constituencies at global, regional and country levels in order to strengthen the ability of countries to generate, analyse, disseminate and use sound health statistics. Board members include developing-country representatives of ministries of health, national statistical offices (South Africa and Uganda being currently represented) and regional research centres. Representatives of the multilateral system are the United Nations Children's Fund (UNICEF), the World Bank, the Department of Economic and Social Affairs of the United Nations Secretariat and the World Health Organization (WHO). Representation of bilateral donors, foundations and public-private partnerships comprises the United States Agency for International Development (USAID), the Department for International Development (DFID) of the United Kingdom of Great Britain and Northern Ireland, the Danish International Development Agency (DANIDA), the Bill and Melinda Gates Foundation, the European Commission, the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Joint United Nations Programme on HIV/AIDS (UNAIDS). Other Board members are the Development Assistance Committee and the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) of the Organization for Economic Cooperation and Development (OECD) and the Centers for Disease Control and Prevention (CDC Atlanta). The Network secretariat is currently hosted by WHO.

4. The goal of the Health Metrics Network is to catalyse the development of country health information systems, thus increasing the availability and use of timely and sound information to support health-related decision-making at country and global levels. In support of this goal, the Network has three objectives:

- Forge consensus around technical approaches including tools, indicators and analyses to guide and drive the development of country health information systems and enhance access to and quality of data.
- Provide technical and financial support to countries to strengthen their health information systems.
- Develop policies, systems and incentives to ensure access to and use of information for decision-making in countries and globally.

5. The framework of the Health Metrics Network focuses on country health information systems and covers the context, resources, practices, products and use of health statistics. The draft framework was presented and discussed at several meetings involving statistical offices, including intercountry meetings on national plans for statistical development organized by PARIS 21 in Zambia and Ghana. In the first round for country proposals to strengthen health information systems the Network Board approved 41 proposals for funding (encompassing grants between $100,000 and $500,000). Strongly encouraged by the Network principles, all country proposals involve collaboration between health and statistical constituencies in countries.

6. Work continued towards the development of a new common health questionnaire instrument, building on the work already carried out by national and international organizations with regard to health surveys, and in coordination with existing groups such as the Statistical Office of the European Communities (Eurostat) group on health information systems and the Washington Group on Disability Measurement (city group). A Steering Group comprising Canada, the United States of America, WHO, Eurostat, and the Economic Commission for Europe (ECE) leads this work. A Meeting on Measurement of Health Status was held from 14 to 16 November, 2005, Budapest, jointly organized by ECE and Eurostat. This followed from the work of the Steering Committee and the Task Force on Health Status over the past year (in which WHO participated) undertaken to define the conceptual framework and to identify domains and questions for measurement of health status. WHO will continue to work with ECE and Eurostat in this area.

7. WHO provided advice, consultation and information on population health and mortality to national statistical and health agencies carrying out population-level health situation analyses (about 20) and international organizations, including the United Nations Office on Drugs and Crime (UNODC), the United Nations Research Institute for Social Development (UNRISD), OECD, the Asian Development Bank, the Centers for Disease Control and Prevention, and the Bill and Melinda Gates Foundation. In addition, WHO worked closely with the Economic and Social Commission for Asia and the Pacific (ESCAP) on the development and field-testing of a health and disability survey in five countries. Other regions have also shown interest in this collaboration.

II. World Health Survey (WHS)

8. WHO has worked with statistical offices in many countries in the implementation of the World Health Survey during 2002-2003 and has worked with countries to clean the data sets during 2004-2005. In what has been an interactive process, WHO is working towards providing countries with basic tabulations and a clean data set. During December

2005-February 2006, standard tables for all countries with a final data set (over 60 countries) will be published on the WHO website.

9. WHO has also invested in increasing country capacity to use the World Health Survey data. In this regard:

- Participants from five national statistical offices attended the two workshops organized by WHO in the Regional Office for Africa region for the purpose of analysing data and draft reports from the World Health Surveys for the 18 Regional Office countries.
- Participants from national statistical offices attended the planning meeting for the health surveys in the countries members of the Gulf Cooperation Council (including Yemen).
- The Canadian Institutes of Health Research together with Statistics Canada are putting out a request for applications to carry out analyses of the data from the World Health Survey.

10. It is envisaged that country statistical offices will be the key users of World Health Survey data in terms of analyses at the country level. WHO has obtained a server and software (Nestar) to make the data publicly available with appropriate metadata. The first 30 full data sets will be made public during February-March 2006. The making public of the remaining 41 data sets is expected to follow during April-June 2006.

11. WHO has collaborated with the International Household Survey Network to input all the World Health Survey metadata into the shared database and will take responsibility for inputting those microdata once it has been cleared by countries and is available for wider dissemination.

III. Intersecretariat Working Group on Health Statistics

12. The meeting of the Intersecretariat Working Group on Health Statistics, held at the headquarters of the Food and Agriculture Organization of the United Nations (FAO) on 28 November 2005, was convened by WHO, with facilitation by the United Nations Statistics Division, to develop a coordinated and integrated agenda for the production of health statistics and to agree on standard definitions, classifications, and methodologies in health statistics, taking advantage of existing mechanisms wherever possible, as recommended by the Statistical Commission at its thirty-fifth session.[1] This was pursuant to the agenda that had been developed based on the consultation of members of the Committee for the Coordination of Statistical Activities and discussions held at the thirty-sixth session of the Commission.

13. The meeting was attended by representatives from five countries (Australia, Botswana, China, South Africa and Thailand), the United Nations Statistics Division, WHO and the Food and Agriculture Organization of the United Nations (FAO). The agenda was accepted as proposed. The proposal by WHO that Mr. Richard Madden serve as the Chair was agreed by all participants.

14. The meeting had been planned immediately following the Eighth Inter-agency and Expert Group meeting on Millennium Development Goal Indicators, Rome, 24 and 25 October 2005, and the Expert Group Meeting on Millennium Development Goal Indicators, Rome, 26 and 27 October 2005 (both convened by the United Nations Statistics Division of the Department of Economic and Social Affairs of the United Nations

Secretariat and hosted by FAO, to allow country representatives and agency representatives to attend at low cost. Unfortunately, the formal invitations to the agencies were not sent out in time. WHO expressed its apologies to the participants and agreed to send an apology to those who had not been able to attend.

15. A draft of the terms of reference for the Intersecretariat Working Group was circulated and discussed at the meeting. Amendments to the text were made and further inputs from all organizations interested in the health statistics were sought.

16. The text on the functions of the Intersecretariat Working Group was edited. The principal function of the Intersecretariat Working Group is to serve as a platform for sharing key international developments in the field of health statistics and developing recommendations to be submitted to the Statistical Commission and all United Nations organizations on the following issues:

- Promoting harmonization, coordination and prioritization in the field of health statistics;
- Discussing and promoting the development and use of standard definitions, classifications and methodologies in health statistics;
- Promoting the development of appropriate country health information systems including both the health and statistical constituencies.

17. The meeting discussed four topics identified as initial priorities for the Intersecretariat Working Group: vital statistics systems, the Health Metrics Network, health and disability statistics, and the update and revision of the International Statistical Classification of Diseases and Health Related Problems. The note for the record of the meeting is available from http://www.who.int/healthinfo/en/. A second meeting is planned for 2006.

Notes

[1] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. II, sect. C, para. 4 (e) (ii).

[2] Ibid., *2005, Supplement No. 4* (E/2005/24), chap. IV, sect. B, para. 18 (c).

United Nations E/CN.3/2006/18

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (c) of the provisional agenda*
Items for information: Paris Group on Labour and Compensation

Report of the Paris Group on Labour and Compensation

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit the report of the Paris Group on Labour and Compensation, which is presented to the Commission for information. The Commission is requested to take note of the report of the Group.

Report of the Paris Group on Labour and Compensation

1. The present report summarizes the activities of the Paris Group on Labour and Compensation on the measurement of working time during 2004 and 2005. The sixth meeting of the Paris Group was held in Lisbon from 29 September to 1 October 2004 to further work on the development of international guidelines and recommendations on working time and to hold initial discussions on topics related to the ageing labour force.

2. A report of the Lisbon meeting, summarizing discussions and recommendations, was submitted to the Statistical Commission at its thirty-sixth session in March 2005 as a background document. As mentioned in previous reports to the Commission, work of the Paris Group on working-time measurement is being undertaken to assist the International Labour Organization (ILO) in the development of a resolution on working time for the next International Conference of Labour Statisticians, tentatively scheduled for 2008.

* E/CN.3/2006/1.
** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-64656 (E) 090106

3. Further work on both working-time measurement and on the ageing labour force will be undertaken in the context of the seventh meeting of the Paris Group scheduled to be held from 15 to 17 May 2006 in Budapest.

Sixth meeting of the Paris Group

4. The main topic of discussion at the Lisbon meeting was the development of international statistical standards for the measurement of working time. National papers prepared for the 2004 meeting, and for the meeting held in London in 2003, focused on current national experiences in this area and the identification of a number of key problem issues. These discussions were a prelude to the revision and enhancement of the key existing international standard on working-time statistics, namely, the 1962 resolution of the International Conference of Labour Statisticians. The revised resolution will be designed to address a variety of uses of working-time statistics such as labour-input and labour-market analysis, covering both conceptual issues and practical measurement-related problems.

5. The report of the Lisbon meeting (available from http://www.insee.fr/en/nom_def_met/colloques/citygroup/citygroup.htm) summarizes the discussions and recommendations of the Paris Group for future work on working-time measurement and outlines a number of problem areas and issues requiring further consideration.

Paris Group input to the update of the System of National Accounts (SNA)

6. During discussions at both the 2003 and 2004 meetings of the Paris Group, labour-force statisticians pointed to a number of grey areas in the 1993 SNA[1] (in particular in chap. XVII on population and labour inputs) in the context of working-time measurement which would benefit, they believed, from clarification and revision during the current SNA update. National agencies that had attended the 2004 Group meeting were requested to identify specific problem areas in the SNA. A synthesis of national comments received was forwarded to the Advisory Expert Group on National Accounts in November 2005. Discussions with the Expert Group are under way to ensure that the revised resolution is consistent with the SNA update.

Future work: seventh meeting of the Paris Group

7. The seventh meeting of the Paris Group, which, as noted above, will be held from 15 to 17 May 2006 in Budapest, will be hosted by the Hungarian Central Statistics Office. Just over two days of the meeting will be devoted to reviewing a draft resolution of the International Conference of Labour Statisticians on working-time measurement, with substantive discussion on remaining problem areas as outlined in the report of the Lisbon meeting. Part of the third day of the meeting will be devoted to further work on the subject of the ageing labour force (see paras. 10-11 below). Invitations for this meeting have been issued to national agencies around the globe, representing both developed and developing statistical systems.

8. As with other city groups, the condition for attendance is prior submission of a brief paper (six pages maximum) on issues relevant to the draft resolution. The draft resolution, which will be forwarded to participants on 28 February 2006, will clearly be the focus of discussion in May 2006 including its remaining problem areas. The meeting organizers have requested authors of national papers to restrict the content of their papers to their views on specific aspects of the text of the draft resolution and to problem areas identified by the meeting organizers. Obviously, national papers would utilize their relevant national experience in dealing with the issues identified.

9. The outcome of the Budapest meeting in the context of working time will be a further draft of the resolution on working time which will be one of the inputs to an ILO tripartite meeting in 2007, to be held prior to the 2008 International Conference of Labour Statisticians.

Paris Group work on the ageing labour force

10. As mentioned above, part of the third day of the May 2006 Paris Group meeting will be devoted to discussion on one or more of the following specific issues related to the ageing labour force that were identified by national delegates at the 2004 plenary meeting:

- Labour utilization/underutilization and the potential labour supply among the economically inactive, including barriers and incentives, integration of younger workers, retention of older workers, training of mature workers, etc.
- Impact of population structure on indicators: recommendations on the standardization of key ageing-related concepts and measures that would facilitate international comparisons.
- Projections, including average age, age dependency ratios, links to economic projections.
- Patterns of retirement: average age, rate of retirement, reason (choice/obligation), phased, retirement intentions, recommendations on common terminology.
- Measurement: use of a variety of sources, ongoing/ad hoc longitudinal studies that follow people over time.

11. National participants at the meeting have been asked if they would be willing to prepare a brief paper outlining their perspectives and experiences on any of these issues for discussion in May 2006, remembering that the discussions in Budapest would constitute only an initial foray.

Notes

[1] United Nations publication, Sales No. E.94.XVII.4.

United Nations E/CN.3/2006/19

Economic and Social Council

Distr.: General
22 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (d) of the provisional agenda*
Items for information: poverty statistics

Poverty statistics

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its thirty-sixth session.** It describes the final stages of the preparation of the United Nations Handbook on Poverty Statistics, in particular a global consultation on current country practices of poverty measurement. The report is presented to the Commission for information.

* E/CN.3/2006/1.

** *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-66208 (E) 130106

I. Introduction

1. At its thirty-fifth session, the Statistical Commission expressed its appreciation for the broad consultative process which had been put in place by the Statistics Division for the elaboration of the Handbook on Poverty Statistics (see E/2004/24, chap. II.G, para. 12). The Commission also emphasized the need for the handbook to be not a normative instrument, but rather a practical guide to poverty measurement based on country practices. At its thirty-sixth session, the Commission reviewed the proposed detailed outline of the handbook and recognized that the current scope of the handbook was adequate (see E/2005/24, chap. IV.C, para. 22).

2. The manuscript of the Handbook on Poverty Statistics has now been completed and submitted for official editing. The pre-edited version is available for information on the Statistics Division website (printed copies are available on request to the Division). It is the product of a three-year study that sought to enhance the understanding of the ways in which countries currently measure poverty, thereby identifying strengths and weaknesses in data-collection processes. The handbook contains recommendations on good practices, which should also help to make national statistics more comparable.

II. Drafting of the handbook

3. In 2004, four regional workshops on poverty measurement were held in countries of the Latin America and the Caribbean (May), Africa (July), Asia and the Pacific (October) and Western Asia (November) regions. The specific objective of the workshops was to discuss the content of the handbook with countries, to incorporate their practical regional perspectives and to identify common problems faced by them in that area.

4. Subsequent to the workshops, the Statistics Division worked with a number of experts to draft the various chapters of the handbook. An expert group, consisting of chapter authors and reviewers, met in New York in June 2005 to comprehensively review the first full draft of the handbook. At all stages, copies of the various drafts were made available on the Division's website in order to ensure transparency of the process and to allow national experts to contribute to discussions. A representative of the Rio Group also actively participated in the expert group meeting to ensure complementarity between the handbook and the compendium being prepared by the Rio Group.

5. To assist the drafting of the various chapters, the Statistics Division conducted a global survey in 2005 to gauge the range of ways poverty was being measured. Two additional objectives of the survey were to analyse regional perspectives of how countries gauge poverty and to identify the means by which poverty measurement could be improved. A questionnaire on poverty measurement was developed, based on current measurement practices. After being translated into English, Spanish, French and Russian, the questionnaire was sent out to national statistical offices in nearly 200 countries worldwide. By October 2005, 74 nations had fully responded. To encourage a greater response rate, the United Nations prepared an abridged version of the questionnaire; a month later, 15 additional countries submitted responses. The responses were subsequently consolidated into a summary table to be presented as a background document to this report.

6. Statistical offices in 15 countries indicated that they were not currently collecting poverty data at all. The key finding of the global survey was that a wide range of practices existed. For example, 65 per cent of respondent countries applied the absolute concept of poverty, while about one third did not. Likewise, there was a wide range of practice among the 75 countries, which indicated whether they made adjustments for adult equivalence in their poverty analyses (38 per cent of countries made some adjustments for age and/or sex). There was a notable difference in the minimum individual calorie requirement, ranging from below 2,000 to almost 3,000 kilocalories. Generally, the data reflected a broad consensus about the guiding principles underlying poverty measurement, although they also revealed considerable variation in how the principles were implemented in practice.

III. Executive summary of the handbook

7. The handbook focuses on the challenges faced by developing countries. It presents practical measurement options, taking regional and local specificities into consideration to the extent possible. In this regard, the handbook is a state-of-the-art review of poverty statistics. While it does not offer new concepts or methods, its strong methodological component is designed to serve as a foundation for future empirical work conducted at the country level.

8. The publication comprises nine chapters covering both theoretical and applied work (see annex for chapter titles). It emphasizes practical issues, but also addresses some technical issues and reviews the most recent methodological developments in measuring poverty. The handbook also recommends international support to assist countries in collecting and analysing poverty data, especially the use of a more harmonized approach for collecting and comparing data across time and space.

9. Since the handbook focuses on the improvement of national practices, the issue of global poverty comparison was not explicitly analysed. However, the publication considers the issue of international comparison by exploring the applicability of harmonized conceptual approaches to poverty measurements and by promoting common protocols for data collection at national levels. This would likely lead to more comparable poverty data among countries, across regions and over time.

IV. Future activities

10. As a first step towards the practical application of the handbook at the country level, in 2006 the Statistics Division, in the context of its development account project to strengthen statistical capacity, will work with the countries of the Economic Community of West African States (ECOWAS) and its secretariat on a publication on poverty statistics, which will not only compile the data currently available for poverty measurement in that subregion, but will also analyse the various practices used in ECOWAS countries and explore to what extent it is desirable and possible to regionally harmonize measurement practices, not only in order to increase comparability but also to create a basis for effective exchange of practical experience.

Annex

Titles of chapters of the handbook on Poverty Statistics

Chapter 1:	Introduction
Chapter 2:	Concepts of poverty
Chapter 3:	Poverty measures
Chapter 4:	Country practices in compiling poverty statistics
Chapter 5:	Statistical tools and estimation methods for poverty measurement based on cross-sectional household surveys
Chapter 6:	Statistical issues in measuring poverty from non-household survey sources
Chapter 7:	Poverty analysis for policy use: poverty profiles and poverty mapping
Chapter 8:	Analysis of poverty dynamics
Chapter 9:	Conclusion

United Nations E/CN.3/2006/20

Economic and Social Council

Distr.: General
22 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (d) of the provisional agenda*
Items for information: poverty statistics

Report of the Rio Group on Poverty Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit to the Commission the report of the Rio Group on Poverty Statistics. The Commission is requested to take note of the report.

* E/CN.3/2006/1.

** *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-66214 (E) 190106

Report of the Rio Group on Poverty Statistics

Purpose

The main objectives of the Rio Group on Poverty Statistics are to harness the experience and concerns of different groups and organizations in the world that are working on the measurement, interpretation and use of poverty statistics, especially when such work is being conducted by, or in close contact with, statistical offices. The identification of the indicators, methodologies and statistical sources being used should allow the preparation of documents or reports containing the most up-to-date information on matters of poverty measurements, common procedures and best practices. At the same time, the most important difficulties could be identified and experts working with similar problems and topics could cooperate and thereby improve the quality and relevance of measurements. The experience obtained will allow the Rio Group to finish preparing a Compendium of Good Practices to be presented to the members of the Statistical Commission for final comments at the end of 2005.

Year organized

1996.

Participants

Countries

Argentina, Australia, Belarus, Botswana, Brazil, Canada, Chile, France, India, Indonesia, Mexico, the Netherlands, Nigeria, Peru, Portugal, South Africa, Spain, Switzerland, Turkey, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Uruguay.

Organizations and other institutions

Centro Latinoamericano de Demografía, Economic Commission for Africa (ECE), Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP), Statistical Office of the European Communities (Eurostat), Human Sciences Research Council, Inter-American Development Bank, International Labour Organization (ILO), Latin American and Caribbean Institute for Economic and Social Planning, London School of Economics and Political Science, Organization for Economic Cooperation and Development (OECD), Pan American Health Organization (PAHO)/World Health Organization (WHO), Partnership in Statistics for Development in the Twenty-first Century (PARIS21), Townsend Centre for International Poverty Research, United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Statistics Division and World Bank.

Meetings

- First meeting, Santiago, 7-9 May 1997
- Second meeting, Rio de Janeiro, 13-15 May 1998
- Third meeting, Lisbon, 22-24 November 1999
- Fourth meeting, Rio de Janeiro, 15-17 October 2001
- Fifth meeting, Rio de Janeiro, 13-15 November 2002
- Sixth meeting, Rio de Janeiro, 12-14 November 2003
- Seventh meeting, Rio de Janeiro, 6-8 December 2004

Topics considered

Measurements oriented towards synthetic indicators or policy for poverty alleviation; analytical classifications of synthetic indicators of poverty statistics: absolute poverty (poverty lines and unmet basic needs approach), relative poverty, objective and subjective poverty; poverty dynamics; relationships between poverty and other conceptual categories used in social policy, such as social exclusion, vulnerability and social rights; microlevel approach (household and individuals) to poverty measurements associated with policy for poverty alleviation, international comparisons, international strategies to alleviate poverty, their objectives, goals and means of implementation, and strategies for the improvement of information.

For all those topics, issues in respect of methodologies and procedures more widely used within different measurements of poverty have been examined and compared. The Rio Group has identified: (a) the most important methodological and statistical challenges in which participants are working; (b) statistical sources, concepts and classifications used for poverty measurements; (c) work under way to improve the timeliness and quality of sources and estimates; (d) international experience with respect to moving towards common practices in the measurement of poverty; and (e) institutional agreements towards the comparability of measurements in different regions.

Products

The agenda and documents of the meetings of the Rio Group can be found on its website (www.ibge.gov.br/poverty). Papers and final reports of the first four meetings have been published by ECLAC, bibliographies of which can be accessed from the ECLAC publications website (http://www.eclac.org/publicaciones/default.asp?idioma=IN or for Spanish: http://www.eclac.org/publicaciones/) under the document codes LC/R.1814, LC/R.1960, LC/R.1998 and LC/R.2096.

The Compendium in progress pays special attention to established practices in poverty measurement. Established practices are those carried out, on a continuous basis, by a national, regional or international organization that publishes periodically results on poverty measurement and the methodologies and statistical sources utilized, and disseminates those estimates publicly. The practices of a few

research institutes, closely related to official measurements, have also been included.

The practices are classified under five approaches, encompassing: absolute, relative and subjective poverty lines, unmet basic needs or deprivations, and the combined deprivation and poverty lines approach. Health and child poverty measurements are included in the approaches encompassing absolute poverty lines and unmet basic needs, respectively. The document presents in each case the most important steps of the procedures, following a common structure that includes the identification of poverty standards, household resources with which to meet the standards, units of analysis, geographical disaggregation and sources of information. Comments on the nature and significance of the challenges faced by each approach are also included.

The Compendium has been devised in order to provide the reader with a clear picture of the content of different approaches and of the requirements involved in adopting or improving any of the measurement approaches. An effort has been made to include a wide array of options for each approach in order that the reader may identify the state of the art and may measure the distance that must be traversed to achieve it by a country that has little or no recent experience. The Compendium has aimed at providing a fair description of these options and has avoided making explicit recommendations that reflect the authors' preferences.

The final chapter presents three transversal topics: the relation of each approach with different kinds of policies for poverty alleviation; the challenges and progress achieved in the area of international comparisons; and some potential statistical information strategies to cope with the increasing demand in the area. This chapter should be an input for discussions of the Statistical Commission in respect of approving activities towards improvement of international cooperation in this area.

Planned activities

The Rio Group has compiled a significant number of documents that reflect the work completed or under way in the area of poverty statistics. At its seventh meeting, the Rio Group made an evaluation of the available documentation and decided that it was in a position to finish the Compendium during 2005. A decision was taken on the chapters to be included, on the distribution of responsibilities, and on a calendar of activities.

Expected future products (dates)

After the 2006 session of the Statistical Commission, comments of members of the Commission will be processed and introduced in March, and a final version of the Compendium will be edited in April and May, in order that it may be published in English in June.

Points of contact

Eduardo Pereira Nunes, Elisa Caillaux
Instituto Brasileiro de Geografia e Estatística
Av. Franklin Roosevelt, 166, RJ., andar 10
20021-120, Rio de Janeiro
Brazil
Tel: 55 21 2142 4503 / 02 / 01
Fax: 55 21 2142 0893
E-mail: epnunes@ibge.gov.br

Mr. Pedro Sáinz
Consultant, Instituto Brasileiro de Geografiá e Estatística
Casilla 179-D, Santiago
Chile
Tel: 56 2 210 2660
Fax: 56 2 210 2523
E-mail: pedro.sainz@cepal.org

Mr. Juan Carlos Feres
Division of Statistics and Economic Projections
Economic Commission for Latin America and the Caribbean
Av. Dag Hammarskjöld s/n, Casilla 179-D
Santiago
Chile
Tel: 56 2 210 2408
Fax: 56 2 210 2472
E-mail: juancarlos.feres@cepal.org

United Nations E/CN.3/2006/21

Economic and Social Council

Distr.: General
20 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (e) of the provisional agenda*
Items for information: environment statistics

Report of the Intersecretariat Working Group on Environment Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit to the Commission, for information, the report of the Intersecretariat Working Group on Environment Statistics. The Commission is requested to take note of the work carried out by the Working Group in 2005 and the plans for 2006-2007.

* E/CN.3/2006/1.

** *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I, sect. B.

05-65967 (E) 060106

Report of the Intersecretariat Working Group on Environment Statistics

Contents

		Paragraphs	Page
	Introduction	1–3	3
I.	Methodological work	4–13	3
II.	Data collection	14	5
III.	Training and capacity-building	15–16	5
IV.	Joint events	17	5
V.	Meetings of the Intersecretariat Working Group on Environment Statistics in 2005 and meeting plans for 2006	18–20	6
VI.	Work programme of the Intersecretariat Working Group on Environment Statistics in 2006-2007	21	6
Annex			
	Mandate and work programme of the Intersecretariat Working Group on Environment Statistics Subgroup on Water Statistics		7

Introduction

1. The Intersecretariat Working Group on Environment Statistics was established in 2003, following the decision of the Statistical Commission at its thirty-fourth session.[1] The objectives, terms of reference, organization of work and work programme of the group were endorsed by the Commission at its thirty-fifth session in 2004.[2]

2. The objective of the Working Group is to firmly anchor environment statistics as part of official statistics by improving and strengthening basic environmental data. That objective is accomplished by enhancing cooperation and pooling the knowledge bases and resources in the areas of methodological work, data collection and dissemination, training and capacity-building, and the organization of joint events.

3. The present report concerns the work carried out by the Working Group in 2005 and its plans for 2006 and 2007 in the areas mentioned directly above.

I. Methodological work

4. In accordance with the work programme of the Working Group, the focus of methodological work in 2004 and 2005 was on water statistics.

5. The Working Group, together with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Environment Programme (UNEP) Global Environment Monitoring System/Water Programme (GEMS/Water), held an International Work Session on Water Statistics in Vienna from 20 to 22 June 2005, at the invitation of the Austrian Federal Environment Agency. The Work Session was attended by 28 countries and by 13 international, intergovernmental, regional and non-governmental organizations.

6. The Work Session was organized in nine sessions based on 35 working papers. Each focused on one of the following nine different aspects of water statistics:

(a) The need for water statistics: information for policymakers;

(b) Water statistics collected by international organizations;

(c) Water accounting: challenges and opportunities;

(d) Water resources statistics;

(e) Water supply and use statistics;

(f) Statistics on emission of pollutants to ambient waters;

(g) Statistics on wastewater generation and treatment;

(h) Statistics on water quality;

(i) Statistics needed for water pricing and expenditure of water.

7. The Work Session concluded that:

(a) Water statistics are a basic element of environmental information and should cover the fields of water resources, supply, use, treatment, quality and

economic aspects. Currently, the quality and accessibility of data do not meet the demand, a situation that needs to be remedied;

(b) Within countries, data providers and other stakeholders need to be brought together within integrated networks of experts so as to work together to collect the most needed data and to make optimum use of the data currently collected;

(c) Capacity-building for the collection of basic water statistics is required in many countries, some of which do not have statistical units dedicated to water or environment statistics;

(d) Water accounts provide a framework for diverse water data and are a powerful tool for water management. The implementation and use of such accounts should be promoted and supported both financially and technically;

(e) Feedback from international organizations on how data are used has to be given to the data providers;

(f) Regional and international organizations active in the area of water-data collection need to work more closely with each other to improve harmonization and reduce duplication;

(g) There is a need to improve access to and interpretation of data by applying standardized metadata;

(h) There is a need to provide standardized methodologies to be used to aggregate raw data to statistics and indicators.

8. The Work Session invited countries to:

(a) Institutionalize water statistics by establishing environment statistics or water statistics units or similar structures to undertake the systematic collection of water statistics;

(b) Create appropriate networks to bring together water-data providers and other stakeholders so as to ensure that the most needed data are collected and that optimum use is made of the data currently collected.

9. The Work Session recommended that the Working Group:

(a) Set up a subgroup to address the issues above, and to coordinate the work of international organizations on water statistics;

(b) Provide appropriate manuals and methodologies to assist countries in the collection of water statistics;

(c) Explore other possibilities for assisting countries in the continuous improvement of data quality.

10. The detailed report of the Work Session is available as a background document.

11. Following the Work Session the Working Group set up the Subgroup on Water Statistics with the participation of the United Nations Statistics Division, FAO, the Statistical Office of the European Communities (Eurostat), the Organization for Economic Cooperation and Development (OECD), UNEP, UNEP GEMS/Water and the Economic Commission for Europe (ECE). The mandate and work programme of

the Subgroup were discussed and adopted by the Working Group at its fourth and fifth meetings.

12. The Subgroup on Water Statistics is currently engaged in the review of the compatibility of the water statistics questionnaires used by the international organizations and in the discussion of certain methodological issues connected with the use of the questionnaires. The Subgroup will undertake the review of the draft water statistics manuals and the water chapter of the revised *Glossary of Environment Statistics* and will test metadata standards for water statistics.

13. The mandate and work programme of the Subgroup are contained in the annex to this report.

II. Data collection

14. The year 2006 will be the year for the biennial data collection. In March, the United Nations Statistics Division jointly with UNEP, will send out its questionnaire on environment statistics to countries, except for Eastern European, Caucasus and Central Asian countries, where the data collection will be implemented earlier to coordinate it with the timetable of the upcoming pan-European state of the environment report. The Statistics Division questionnaire will focus on water and waste statistics. The questionnaire has been revised based on lessons learned from the previous data collection and from regional experiences. Compatibility with the joint OECD/Eurostat questionnaire and the water accounting tables was further strengthened. The questionnaire was reviewed by the Working Group Subgroup on Water Statistics. The OECD/Eurostat joint questionnaire will be sent to their member and partner countries later in 2006. Data exchange agreements are in place with OECD and Eurostat and are being established with FAO. The results of the data collection will feed into the UNEP *Global Environmental Outlook*, the *OECD Environmental Outlook* and the pan-European state of the environment report, all due in 2007.

III. Training and capacity-building

15. UNEP co-sponsored a training workshop on environment statistics organized by the United Nations Statistics Division jointly with the secretariat of the Economic Community of West African States (ECOWAS) and the Economic Commission for Africa (ECA) in Senegal in March 2005. The Statistics Division co-sponsored the OECD Latin America and Caribbean Conference on Environmental Information for Decision-making.

16. Joint actions in training and capacity-building in 2006-2007 are being discussed currently on the basis of the work programmes of the members of the Intersecretariat Working Group on Environment Statistics.

IV. Joint events

17. The next International Work Session organized by the Working Group will be held in the second quarter of 2007 and will focus on methodological issues of land-use and land cover statistics. The Work Session is planned to be held in Rome and hosted by FAO (subject to confirmation).

V. Meetings of the Intersecretariat Working Group on Environment Statistics in 2005 and meeting plans for 2006

18. The Working Group met three times in 2005, back to back with the aforementioned International Work Session on Water Statistics, the Eurostat Directors Meeting on Environment Statistics and Accounts held in Luxembourg in November and the OECD Conference on Environmental Information for Decision-making held in Mexico in December. The reports of these meetings are available as background documents.

19. FAO joined the Working Group as a member in November 2005.

20. The next meeting of the Working Group is planned to be held back to back with the Expert Group Meeting on Environment Statistics to be organized by the United Nations Statistics Division in New York in the second or third quarter of 2006. Regional commissions with advanced environment statistics programmes will also be invited to future meetings of the Working Group, starting with the Economic Commission for Latin America and the Caribbean (ECLAC).

VI. Work programme of the Intersecretariat Working Group on Environment Statistics in 2006-2007

21. In 2006-2007, the Working Group will focus on:

(a) Continuing methodological and harmonization work in the subject area of water through the Subgroup on Water Statistics;

(b) Setting up a new subgroup on land-use and land cover statistics for the discussion of methodological issues in this subject area and starting preparations for the next International Work Session;

(c) Reviewing the draft chapters of the revised United Nations Statistics Division *Glossary of Environment Statistics* with a view to considering joint work on Working Group inter-institutional glossary;

(d) Developing a proposal for harmonized metadata for environment statistics and testing this in the subgroups on water and land statistics;

(e) Organizing the international work session on land-use and land cover statistics in 2007;

(f) Deciding on joint training and capacity-building actions on the basis of the shared work programmes of the member organizations.

Notes

[6] *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24), chap. IV, para. 2 (b).

[7] Ibid., *2004, Supplement No. 4* (E/2004/24 and Corr.1), chap. IV, para. 2 (c).

Annex

Mandate* and work programme of the Intersecretariat Working Group on Environment Statistics Subgroup on Water Statistics

1. The International Work Session on Water Statistics, organized by the Intersecretariat Working Group on Environment Statistics in Vienna in June 2005, recommended that the Working Group set up a Subgroup on Water Statistics to coordinate the work of international organizations in the area of water statistics, and in particular:

(a) To ensure that regional and international organizations that collected water data worked more closely with each other to improve data availability and harmonization and to eliminate duplication;

(b) To clearly define responsibilities, so that countries would need to send data to international organizations only once;

(c) To improve access to and interpretation of data derived from its disparate and distributed sources, by applying standardized metadata;

(d) To provide and promote use of standardized methodologies to be used to aggregate raw data to statistics and to indicators;

(e) To promote awareness within countries of why international organizations collected water data, and provide feedback on how data were used and the benefits of this use internally and externally.

The Working Group at a meeting following the International Work Session in Vienna agreed to set up a voluntary subgroup focusing on issues related to statistics on freshwater.

2. The Working Group discussed the draft mandate and work programme of the Subgroup on Water Statistics in Luxembourg on 9 November 2005, and in Cancún on 1 December 2005, agreed on the following.

3. The mandate of the Intersecretariat Working Group on Environment Statistics Subgroup on Water Statistics will be: to foster a close collaboration between the parties involved in the collection and compilation of statistics on the quantitative and qualitative aspects of freshwater resources and their use:

(a) With the aim of assuring complementarities of international data collection, removing redundancies, and sharing data and country information between all parties;

(b) With a view to supporting country efforts in developing water statistics (including data collection, data treatment, quality assurance, publication and dissemination) through appropriate sharing of experiences, promoting of best practices, and capacity-building.

4. The work programme of the Subgroup should include the tasks listed in the present annex.

* As revised after the fifth meeting of the Intersecretariat Working Group on Environment Statistics.

5. The United Nations Statistics Division, the Food and Agriculture Organization of the United Nations, the Organization for Economic Cooperation and Development, the Statistical Office of the European Communities (Eurostat), the Economic Commission for Europe, the United Nations Environment Programme and the United Nations Environment Programme Global Environment Monitoring System/Water Programme agreed to participate in the work of the Subgroup. Other interested international organizations involved in water data collection were welcome to contribute to the work of the Subgroup. Country experts would be consulted on a thematic basis when needed.

6. To the extent possible, the Subgroup will work electronically. Consideration should be given to holding its meetings back to back with other meetings in order to limit costs.

7. The mandate of the Subgroup ends on 31 December 2007. The Subgroup will submit an annual report to the meeting of the Working Group on progress achieved. After consideration of the 2007 report, the Working Group may consider extending the mandate of the Subgroup beyond 2007.

Tasks for the Subgroup on Water Statistics

1. To work out a comparison and concordance of water-related terms and questionnaires, which would reveal any conflicting definitions and terminology and serve as a first step towards harmonizing and standardizing the various water questionnaires; and to produce a common glossary of terms, which would be the natural outcome of a concordance.

2. To discuss and resolve existing conflicts and overlaps in definitions and data collection.

3. To develop a standard codification for water data.

4. To test the feasibility of harmonized metadata guidelines for environment statistics in the area of water statistics.

5. To assess methods for aggregating or otherwise progressing from individual measurements of water quality to useful statistics. If the Subgroup deems it useful, this could involve organizing a survey of countries for the purpose of asking how the measurement data are used by policymakers and obtaining ideas on water-quality classes (for example, drinking-water, fishable, usable for agriculture) or water-quality indicators.

6. To assess the feasibility of providing estimation methods and/or default coefficients that can be used to derive water data from existing data, so as to help countries estimate missing water data.

7. To contribute to the preparation of water statistics manuals/methodological guidelines.

8. To contribute to the preparation of training materials.

9. To initiate shared training activities, if deemed appropriate.

United Nations E/CN.3/2006/22

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (f) of the provisional agenda*
Items for information: service statistics

Report of the Organization for Economic Cooperation and Development on service statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit to the Statistical Commission the report of the Organization for Economic Cooperation and Development on service statistics. The report is for information only.

Contents

		Paragraphs	Page
I.	Introduction	1–2	2
II.	Progress in selected projects concerning the measurement of services in the economy	3–46	2
III.	Intersecretariat working group on service statistics	47–49	9
IV.	The Voorburg Group on Service Statistics: future agenda	50–57	10
Annex			
	Selected events in the field of service statistics in 2006		12

* E/CN.3/2006/1.

** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.C.

05-64408 (E) 190106

I. Introduction

1. In March 2005 the United Nations Statistical Commission, noting the reports of the Organization for Economic Cooperation and Development (OECD) and of the Voorburg Group on Service Statistics, took the following actions:

(a) Recognized and credited the conceptual work of the Voorburg Group and agreed that it should continue to develop internationally comparable concepts and methods in the area of service statistics related to the measurement of output and prices and use of classifications;

(b) Reiterated the role of the Voorburg Group with respect to focusing on the submission to the Commission of the work completed on concepts and methods in the area of service statistics;

(c) Agreed that OECD should continue to coordinate international work on service statistics as mandated by the Commission in 2003 and provide a single annual report on the work undertaken by the various expert and city groups on service statistics;

(d) Recommended the creation of an intersecretariat working group on service statistics, which would identify the division of labour among the international organizations regarding the maintenance and update of recommendations, such as those arising out of the work of the Voorburg Group, and knowledge transfer in the area of service statistics, and would also promote the use of best practices.

2. The present report accordingly summarizes the main developments in service statistics in various expert groups, describes progress with the creation of an intersecretariat working group on service statistics and incorporates a report on the Voorburg Group's development of its future agenda. Some upcoming services events are listed in the annex to the report.

II. Progress in selected projects concerning the measurement of services in the economy

3. In 2005 progress has continued apace on the coordinated revision and updating of the fundamental frameworks that underpin production of useful and comparable statistics on services. These include the updated *System of National Accounts*, 1993 (1993 SNA, Rev.1) and the revised *Balance of Payments Manual*, both planned to be published in 2008, and the International Standard Industry Classification of All Economic Activities (ISIC) and the Central Product Classification, to be revised in 2007. Because of their fundamental nature, these revisions will have knock-on effects on other manuals, for example, the *Manual on Statistics of International Trade in Services*,[1] which is to be revised by 2009, and the *Tourism Satellite Account: Recommended Methodological Framework*.[2]

System of National Accounts 1993 update

4. The Intersecretariat Working Group on National Accounts is responsible for leading the updating work on 1993 SNA, Rev.1. The Working Group is guided by an advisory expert group.

5. Issues which could impact on the measurement of services include:

- The treatment of non-financial assets and the revenue flows stemming from the leasing or right to use these assets, for example, software, copyrights on music and film, research and development
- Capitalization of research and development expenditure
- Capital services
- Originals and copies (for example, software)
- Goods for processing and merchanting
- Financial and insurance services
- Measurement of labour input
- ISIC aggregations for SNA data reporting
- Clarification of guidelines measuring non-market output.

6. Further information on the issues being considered for the SNA update and progress can be found at http://unstats.un.org/unsd/sna1993/issues.asp. The Intersecretariat Working Group on National Accounts plans to finalize methodological decisions of principle for the update in January-February 2006.

Balance of Payments Manual: revision issues

7. The revision of the fifth edition of the *Balance of Payments Manual* is being supervised by the International Monetary Fund (IMF), under the advice of the IMF Committee on Balance of Payments Statistics. IMF expects to finalize the proposed methodological revisions and complete a first draft of the revised manual by the end of 2006.

8. The Committee on the Balance of Payments Statistics is coordinating the revision closely with the Intersecretariat Working Group on National Accounts and a selection of other expert groups.

9. Issues related to the revision of the *Balance of Payments Manual* that could have an impact on the measurement and interpretation of international trade in services include: the borderline between trade in goods and trade in services (for example, for repairs); goods for processing; merchanting; original and copies; financial and insurance services; and adjustments to the classification of services (for example, on information technology) (more information on the revision process and related issues can be found at http://www.imf.org/external/np/sta/bop/bopman5.htm).

Classification revisions

10. The United Nations Expert Group on International Economic and Social Classifications and its technical subgroup finalized the structure for the fourth revision of ISIC (ISIC Rev.4 structure) in 2005 for submission to the Statistical Commission for approval.

11. The proposed ISIC Rev.4 structure has 21 top-level sections instead of the 17 contained in ISIC Rev.3. It has expanded detail on services considerably as part of a wider convergence process of the international and regional[3] industry or activity

classifications. A new information and communications section is included. The sections on professional, business support services, culture, recreation and human health services are expanded. Water supply is combined in a section with some environmental activities and services. Information and communications technology (ICT) aggregations have been facilitated.

12. At the request of national accountants, a proposed "top-top" level aggregation of 10 to 11 categories for the revision 4 of ISIC for SNA data reporting by activity has been developed by OECD in consultation with the United Nations Statistics Division and Eurostat. The proposal has been submitted to the SNA Advisory Expert Group for its approval in January 2006.

13. Proposals for the Central Product Classification version 2.0 were to be finalized by the end of 2005 for submission to Statistical Commission. Within the current broad structure of the Central Product Classification, ICT, information, health and other services products have been elaborated. The agriculture and transport structure has been revised and a number of tourism related products introduced. Research done for the North American Product Classification System (NAPCS) was an important input as was the worldwide consultation in 2005.

International trade in services

14. The Interagency Task Force on Statistics of International Trade in Services has agreed to update the *Manual on Statistics of International Trade in Services* by 2009 in order to maintain its usefulness and relevance for countries. Since the manual was first published in 2002, the update will be limited in scope, but it will include a review of the Extended Balance of Payments Statistics classification and more material on the measurement of Mode 4 supply of services, as well as changes made necessary by the revision to the *System of National Accounts* and other basic frameworks. The correspondence table between the Central Product Classification and the Extended Balance of Payments Statistics will be revised in line with the revisions and clarifications arising from the revision of the *System of National Accounts*, the *Balance of Payments Manual* and the Central Product Classification revision.

15. It is planned to conduct a worldwide consultation in the first half of 2006 on issues for the update of the *Manual on Statistics of International Trade in Services*.

16. The international agencies have an ongoing practice of sharing information on future technical assistance events and seminars on trade in services in order to avoid duplication and combine scarce resources, where appropriate.

17. The Statistics Division is developing a worldwide database for trade in services in cooperation with OECD to complement the United Nations Commodity Trade Statistics Database (Comtrade) merchandise trade database.

18. The Statistics Division's Technical Subgroup on the Movement of Persons has agreed on recommendations on the measurement of remittances in the balance of payments framework and is preparing improved guidelines for the measurement of Mode 4 trade in services (presence of natural persons). Further information can be found at http://unstats.un.org/unsd/tradeserv/default.htm. In June 2006, Eurostat will organize and host the first meeting of a city group on remittances, the purpose of which will be to draft a compilation guide for collecting data on remittances.

19. In early 2005, OECD published the *Handbook on Economic Globalization Indicators*, which provides guidance on the measurement of the internationalization of production, international mobility of resources and increasing interdependency of national economies. It sets out, inter alia, a framework for measuring activities of multinationals and foreign affiliates trade in goods and services.

20. In March 2005, the European Commission tabled a proposal for a regulation to compile data on inward and outward Foreign Affiliate Trade in Services statistics for States members of the European Union. The regulation is expected to be adopted by the European Parliament and the European Council in 2006. Data compilation will start soon thereafter. In parallel to the discussion of the regulation, Eurostat has drafted a manual for the compilation of this data once the regulation comes into effect. The work on the manual is expected to be finalized in early 2006.

21. The globalizing of production processes, including services production, "offshoring" and the perceived movement of both manufacturing and services jobs from developed to developing nations is an issue of interest to policymakers. Very little hard statistical information is available to inform political debate and decision-making. Eurostat has set up a task force, with its first meeting scheduled in early 2006, to explore the possibilities of measuring international sourcing by setting up a framework to utilize the existing information in a systematic way and by developing dedicated business surveys on an ad hoc basis. The OECD, at its special session on globalization in November 2005, also addressed this issue.

Short-term indicators for services

22. In response to the demand from central banks for more short-term statistics on services output and in order to fulfil the needs of bodies setting monetary policy, the OECD Short-term Economic Statistics Expert Group Task Force on services is preparing a manual on the Index of Services Production. A full draft was presented to the Voorburg Group in Helsinki in 2005. It is anticipated that the manual will be completed in 2006, subject to the approval of the OECD Statistics Committee.

Services producer price indices

23. The work on services prices and volumes is fundamental to achieving better measures of real services output and growth. Improving current practice and international comparability are high priorities as reflected by the range of recent and current activity on this theme on services producer price indices. They pose both conceptual and practical challenges.

24. In recent years, the Voorburg Group has been concentrating on basic methodological issues related to producer price indices for services. The heterogeneity of services has necessitated a service-by-service approach.

25. Outputs have been in the form of principal papers, representing the coordinated input of several countries on prices methodology for particular types of services in a standard format. At the 2005 meeting two principal papers on labour recruitment and courier services were reviewed. There was also discussion of alternative proposals for adding a quality dimension to the "principal paper" documentation process. One session focused on quality adjustment and fitness for use issues in the case of rental and leasing services, at which different quality perspectives from the point of view of both producers and consumers were

highlighted. Candidates for future principal papers are tested and discussed in mini-sessions.

26. The *Producer Price Index Manual* published by IMF in 2004 acknowledged that it (and the *Consumer Price Indices Manual* published by ILO in 2004) drew on the contents and conclusions of papers presented at meetings of the Voorburg Group. The manuals thus provided outlets through which the conclusions of the Group could more widely influence actual compilation methods. In particular, chapter 10 of the *Producer Price Index Manual*, on the "Treatment of Specific Products", included accounts relating to service industries based on papers issued by the Group.

27. It is worth noting other international work that does or may in future draw on the outputs of the Voorburg Group, for example the current work in progress on the manual on trade price indices under the aegis of IMF and the possible revision of the *Producer Price Index Manual* to incorporate work on services producer price index. Such matters are considered by the Intersecretariat Working Group on Price Statistics.

28. The joint OECD-Eurostat Task Force on Services Prices in Short-Term Statistics is preparing a guide for the compilation of producer price indices for services. The Task Force held its final meeting in November 2005 in Paris and is now finalizing the guide, which is to be published early in 2006. The guide is complementary to the *Producer Price Index Manual* and is aimed at harmonizing concepts and providing practical advice for index compilation in the service area. OECD also publishes responses to the annual questionnaire on country developments in work on producer price indices for services. The annual survey is under revision to bring it into line with the guide.

Productivity measurement

29. OECD, Fundación BBVA and Instituto Valenciano de Investigaciones Económicas jointly organized a workshop on productivity measurement in Madrid from 17 to 19 October 2005.

30. A growing number of statistical offices have recently become engaged in the measurement of productivity. This work is raising many new questions for measurement, including the possible approaches to developing measures of aggregate productivity performance, as well as issues related to productivity measurement in specific sectors of the economy, such as services. The workshop was organized to support statistical offices in this work, to take stock of work that is currently underway in OECD countries and to enhance the international comparability of productivity measures.

31. A compendium of productivity indicators was jointly published by the OECD Statistics Directorate and the Directorate for Science, Technology and Industry in 2005 to coincide with the workshop (see http://www.oecd.org/dataoecd/60/31/35529051.pdf).

Business statistics

32. With the increasing policy and analytical interest in services, their competitiveness and the effect they have on the competitiveness of the rest of the

economy, increased attention is being given to the basic infrastructure of business statistics.

33. Eurostat aims to put service statistics on a more equal footing with manufacturing statistics in both short-term and structural statistics. In particular, new European Parliament and European Council regulations are being prepared to:

- Increase the sectoral coverage and integrate enterprise groups into the business registers (registration of links between international enterprise groups is also planned);
- Revise the activity (European Classification, Rev.1.1) and product classifications (Classification of Products by Activity) in accordance with changes in the International Standard Industry Classification of All Economic Activities and the Central Product Classification;
- Revise Council Regulation 58/97 on structural business statistics in order to increase the coverage, level of detail and the number of variables and breakdowns available for services. Several projects are ongoing to develop more harmonized data on business services, business demography, foreign affiliates, demand for services, inter-enterprise relationships, factors affecting enterprise success and measurement of international sourcing.

34. The United Nations Statistics Division hosted the Expert Group Meeting on Industrial Statistics in New York, from 19 to 23 September 2005. The agenda of the meeting addressed the expansion of data collection to widen coverage of business activities, including services. The Expert Group confirmed the necessity for the revision of the *International Recommendations for Industrial Statistics*[4] and the manual *Index Numbers of Industrial Production* 1950[5]. It is planned to extend these to reflect the needs stemming from the revision of SNA 1993 and to include recommendations on measurement of service activities (the agenda and papers of the expert group meeting can be found at http://unstats.un.org/unsd/industry/meetings/eg2005/ac105-2.asp).

35. The newly established United Nations Expert Group on Distributive Trade Statistics held its first meeting in August 2005. The Group was established to assist the Statistics Division in the revision of the 1975 publication *International Recommendations on Statistics of the Distributive Trades and Services*[6] (more information can be found at http://unstats.un.org/unsd/newsletter/unsd_workshops/distributive_trade.htm).

36. In response to a strong analytical need for more internationally comparable business statistics, the OECD Statistics Directorate held an expert meeting on structural business statistics on 3 and 4 November 2005 to examine with national experts commonalities and differences in structural business statistics between European, North American and Asia-Pacific member countries. The meeting also discussed registers, enterprise demography, statistics by size class, coverage, definition of variables and firm-level microdata. The next meeting of the group will be held in the autumn of 2006.

Research and development and innovation statistics

37. The OECD Working Party of National Experts on Science and Technology Indicators aims to improve the methodology for the collection of internationally

comparable data for measuring the input, output, diffusion and impact of science and technology.

38. The third edition of the joint OECD/Eurostat "Oslo Manual" on measuring innovation has now been released. This latest edition extends the concept of innovation beyond technological innovation to better reflect innovation in services by also including marketing and organizational innovation as well as linkages in the innovation process. The concepts defined in the revised Oslo Manual will be progressively implemented in national innovation surveys as well as in Eurostat's next Community innovation survey.

39. A harmonized Eurostat/OECD questionnaire on research and development statistics has been approved by the OECD Working Party of National Experts on Science and Technology Indicators and a joint data collection exercise was launched in November 2005, including improved coverage of research and development in service sectors.

40. Following the decision to change the treatment of research and development in the SNA from a current expense to a capitalized investment, the OECD Working Party of National Experts on Science and Technology Indicators is working with national accountants to adapt the methodology used in the Frascati Manual (2002) to the updated SNA concepts and is also working to develop better measures of research and development internationalization.

Sectoral issues

Financial services in the national accounts

41. The OECD task force on financial services in the national accounts has submitted recommendations for the January 2006 meeting of the Advisory Expert Group on SNA to improve the definition of the output of financial services and the price-volume split of financial and insurance services in order to obtain a better measurement of these services in terms of current and constant prices.

42. A task force convened by IMF and the United States Bureau of Economic Analysis submitted recommendations for the January 2006 meeting of the Advisory Expert Group proposing to explicitly recognize the output of unfunded employers' pension schemes and to record flows and stocks of all defined benefit pension schemes in accordance with actuarial practices.

Tourism statistics

43. At its February 2005 meeting, the Interagency Coordination Group on Tourism Statistics considered proposals to update the *Tourism Satellite Account: Recommended Methodological Framework*,[2] and the 1993 United Nations/World Tourism Organization recommendations on tourism statistics. It also developed a number of proposals for the revision of the *Balance of Payments Manual*, the International Standard Industry Classification of All Economic Activities and the Central Product Classification in order to increase harmonization of concepts between these frameworks and tourism statistics and to make them more helpful for the collection of tourism statistics.

ICT sector statistics

44. The OECD Working Party on Indicators of the Information Society is reviewing the definitions of the ICT sector, as well as ICT goods and services products in the light of the revision of the International Standard Industry Classification of All Economic Activities, the Central Product Classification and the Harmonized System (2007). Proposals are being prepared for the May 2006 meeting of the Working Party.

Health accounts

45. OECD, Eurostat and the World Health Organization (WHO) have laid the groundwork for a joint strategy for the collection of health expenditure data based on the System of Health Accounts. A document on practical working arrangements for cooperation between OECD, Eurostat and WHO and a proposal for a joint questionnaire on the System of Health Accounts have been prepared. The content of the questionnaire and related guidelines, finalized in the autumn of 2005, take into consideration the results of discussions at the OECD and Eurostat experts meetings.

46. As part of the proposed practical working arrangements, it is planned to send letters to the heads of the relevant national organizations (statistical offices and/or health ministries), emphasizing the importance of the implementation of the System of Health Accounts and the upcoming joint data collection on the subject: in particular, a joint Eurostat-OECD letter to inform the heads of national statistical offices and a joint WHO/OECD letter to inform Ministers of Health will be sent in the near future.

III. Intersecretariat working group on service statistics

47. Following the recommendation[7] of the Statistical Commission, in March 2005, to create an intersecretariat working group on service statistics, OECD wrote to international organizations in July 2005 inviting their participation in and their perception of the role of such a working group.

48. Five organizations have said that they wished to participate: the United Nations Statistics Division, Eurostat, ILO, the Interstate Statistical Committee of the Commonwealth of Independent States and OECD. The European Central Bank would also be prepared to attend a meeting to clarify terms of reference.

49. Of those declining to participate, most were supportive of the concept. Several wished to clarify the mandate and role of the group, especially to avoid duplication of work. The Statistics Division proposed that initially the intersecretariat working group would initially operate as a virtual group.

Concerns expressed included:

- Unclear objectives given for the proposed intersecretariat working group
- The theme "Service statistics" does not properly reflect the organization of statistics departments of international organizations, where people are organized by statistical topic (e.g. national accounts, balance of payments, trade, business statistics, prices, etc.), and thus it is not clear who would or should participate

- Services are now so pervasive throughout the economy that it may be more appropriate not to take a sectoral approach
- How can duplication be avoided?

Opportunities perceived included:

- There is a continuing political interest in services
- Service statistics need to be improved generally and there are a range of particularly difficult measurement problems associated with services
- The improvement of knowledge transfer in service statistics is in line with international trade, development, productivity and growth agendas, where there is a need for more countries to improve understanding of the actual and potential contribution of services to growth and development
- A chance for international organizations to combine resources in a cooperative effort and supervise the coordination work in this area.

A draft terms of reference for the intersecretariat working group has been circulated for consideration by the above-mentioned organizations.

IV. The Voorburg Group on Service Statistics: future agenda

50. The Voorburg Group met in Helsinki in September 2005, with a renewed mandate from the Statistical Commission. The agenda included producer price indices for services (see paras. 24 and 25 above); measuring turnover by product; index of services production; classifications of activity and product; and future strategy.

51. The Voorburg Group confirmed its objective, focus and scope and adopted a series of measures to develop the working agenda for the near future. The objective of the Voorburg Group is to establish an internationally comparable methodology for measuring the constant price outputs of the service industries.

Focus

52. It was agreed that the Group should not get actively involved in disseminating knowledge and best practices nor should it take the function of maintenance of the knowledge-base developed in the past. While these functions can be best exercised by international organizations, such as the Statistics Division or OECD, the implicit knowledge transfer through the exchanges of views during the annual meetings will remain a significant role of the Group. The focus of the Group shall essentially be one of developing concepts, methods and best practices in the area of services.

Scope

53. Given its objective, the scope of the agenda of the Group will remain focused on turnover, classification and prices. Since most of the work on classification is now completed, the next few meetings of the Group will work mainly on the identification of best practices in the development of the producer price indices of services. The Group will also re-examine its workplan on a regular basis in order to integrate new questions from national statistical offices and international organizations.

54. In reviewing its objective, focus and scope, the Group felt that it was essential to provide tangible results and recommendations on the conceptual and practical aspects of the development of service statistics to national statistical offices and international organizations. There is a need to better define the nature of the service that we are trying to measure with turnovers and prices. Given that the improvements of service statistics will shed light on issues of productivity and competitiveness, it was agreed that the measurement activities in prices could not be done in isolation from the measurement issues in turnover and classification. In fact, there is a need to integrate the national accounts perspective into the development work in these three areas.

Next steps

55. In order to advance development of the producer price indices and turnover of services, it was agreed that some changes had to be introduced to the workplan, its process and the format of the meeting.

56. First, it was decided to keep what had worked well in the past, for example, the mini-presentations and main paper format used in the sessions on producer price indices. Having mini-presentations in the first year helps prepare the main papers and some best practices in the second year. More structure must be provided to these sessions in order to better identify the various practices. In this context, a task force was established to:

(a) Develop and establish a more structured content improvement assessment framework, capitalizing on the work already done on quality measurement and quality assessment;

(b) Develop a pilot sectoral session on price integrating in the discussion views from the classification, turnover and national accounts perspectives for the next Voorburg meeting in 2006;

(c) Develop a workplan for the next few years with a tangible objective and timetable.

57. The task force, after reporting progress to the bureau of the Voorburg Group at the end of 2005, will provide a briefing to the Statistical Commission in 2006.

Notes

[1] ST/ESA/STAT/SER.M/86.

[2] United Nations publication, Sales No. E.01.XVII.9.

[3] For example, the European Classification (NACE), the North American Classification (NAICS) and the Australia-New Zealand Classification (ANZSIC).

[4] United Nations publication, Sales No. E.83.XVII.8.

[5] United Nations publication, Sales No. E.1950.XVII.4 (ST/STAT/SER.F/1).

[6] United Nations publication, Sales No. E.75.XVII.9 (ST/ESA/STAT/SER.M/57).

[7] *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. III, para. 21.

Annex

Selected events in the field of service statistics in 2006

1. Interagency Task Force on Statistics of International Trade in Services meetings, 21 and 22 February 2006, New York, and 15 September, Paris.

2. Organization for Economic Cooperation and Development (OECD) Short-term Economic Statistics Expert Group Task Force on services meeting, Paris, 1 and 2 February 2005, and a one-day meeting at the end of June 2006.

3. Meeting of the Voorburg Group on service statistics, Wiesbaden, Germany, October 2006.

4. OECD-Eurostat meeting of experts in trade-in-service statistics, Paris, 12-14 September 2006.

United Nations E/CN.3/2006/23

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (g) of the provisional agenda*
Items for information: Round Table on Business Survey Frames

Report of the Round Table on Business Survey Frames

Note by the Secretary-General

In compliance with a request of the Statistical Commission at its thirty-sixth session,** the Secretary-General has the honour to transmit the report of the Round Table on Business Survey Frames, which is presented to the Commission for information. The Commission is requested to take note of the report of the Round Table.

* E/CN.3/2006/1.

** See *Official Records of the Economic and Social Council, 2005, Supplement No. 4* (E/2005/24), chap. I.B.

05-64414 (E) 231205

Report of the Round Table on Business Survey Frames

Purpose

To provide a forum for the exchange of views and experience and the conduct of joint experiments related to the development, maintenance and use of business registers to support survey sampling and other statistical activities related to the production of business statistics. The Round Table is an informal body and participation is on a voluntary basis. Participants, however, are required to contribute to the programme of the annual meeting. Although its mandate does not emanate from a formal body, the Round Table could, on the basis of its discussions and/or experiments, make recommendations to a formal body (e.g., the Statistical Commission) regarding the consideration and/or adoption of certain practices or standards.

Year organized

1986 (Ottawa).

Participating countries/statistical agencies (2005 meeting)

Australia, Canada, China, Estonia, the Statistical Office of the European Communities, Finland, France, Germany, the Hong Kong Special Administrative Region of China, Hungary, Ireland, Italy, Japan, Lithuania, the Netherlands, Mexico, Norway, the Organization for Economic Cooperation and Development, Turkey, the United Kingdom and the United States.

Meetings (held annually)

First meeting: Ottawa, May 1986.

Most recent meeting: Cardiff, United Kingdom, 16-21 October 2005.

Topics discussed at the Cardiff meeting

- Role of the business register in the statistical system
- Business register quality and coverage
- Enterprise group recording and measurement
- Developing new register systems and tools
- Dissemination of register data
- Implementing classification changes
- Confidentiality
- Future of the Round Table.

Future of the Round Table

This session was added to the agenda at the request of several participants as a result of questions from senior managers about the value for money of the Round Table. Participants agreed that the Round Table had to respond to these challenges and better demonstrate the value of the meetings if it was to continue. The options of keeping things as they are, or ending the Round Table, were not supported.

To respond to these challenges, the Round Table agreed to set up a small steering group, consisting of the United Kingdom, Germany, the Organization for Economic Cooperation and Development, the Statistical Office of the European Communities, the United States Bureau of Labor Statistics, Turkey and Australia or New Zealand (to be confirmed). The roles of this group will be:

- To actively engage the Statistical Commission and other senior management forums to promote the work of the Round Table and seek their inputs regarding future activities
- To develop links with other relevant international bodies, for example the World Bank, to ensure support for attendance by developing countries
- To ensure coordination with meetings on related topics, for example, the profiling meeting, expected to be held in Italy in 2006, and the multinational enterprises meeting proposed by the Nordic countries
- To assist the host of the next meeting on matters relating to content.

Three concrete outputs for the steering group were agreed:

- A report of the 2005 Round Table meeting, to be presented to the Statistical Commission (and any other relevant bodies) by spring 2006
- A paper reviewing the achievements so far and setting out the scope and goals of the Round Table for future years, as well as details as to how these goals will be met, by mid-2007. In terms of the scope, the steering committee will consider the extent to which inputs from users and suppliers of data can be included in future meetings, the role of the Round Table with respect to the growing field of register-based statistics and how it can facilitate international training in register-related topics. This paper will be circulated to the full Round Table mailing list for comments before it is finalized
- The steering group will request progress reports from Round Table participants in the summer of 2006. These will be made public, with a summary of the main issues raised. They will also be used to finalize the topics for the agenda of the 2007 meeting.

Products

The host agency updates an Internet site with the most recent documentation after the annual meetings. Papers and progress reports by participating countries from the Cardiff meeting are available from www.statistics.gov.uk/events/nineteenth_international. Documents from previous meetings and links to still existing websites are available from http://forum.europa.eu.int/irc/dsis/businessurvey/info/data/links.htm.

Planned activities

Next meeting: Germany, fall 2007.

Point of contact

Mr. Paul Johanis

Director General, Classification Systems Branch

Statistics Canada

Jean Talon Building 13 B-7

Ottawa, Canada, K1A 0T6

Tel.: (613) 951-9759

Fax: (613) 951-0411

E-mail: Paul.Johanis@statcan.ca

Contact for information on the next meeting, to be held in Germany in the fall of 2007

To be determined.

United Nations E/CN.3/2006/24

Economic and Social Council

Distr.: General
14 December 2005

Original: English

Statistical Commission
Thirty-seventh session
7-10 March 2006
Item 4 (h) of the provisional agenda*
Items for information: international merchandise trade statistics

Report of the United Nations Statistics Division and the Organization for Economic Cooperation and Development on the Joint United Nations/OECD System for collection and processing of international merchandise trade statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-third session,** the Secretary-General has the honour to transmit to the Commission, for information, the report of the United Nations Statistics Division and the Organization for Economic Cooperation and Development (OECD) on the Joint United Nations/OECD System for collection and processing of international merchandise trade statistics. The Commission is requested to take note of the work done as discussed therein and may wish to comment on the plans of the Statistics Division and OECD for further cooperation in this area of statistics.

* E/CN.3/2006/1.

** *Official Records of the Economic and Social Council, 2002, Supplement No. 4* (E/2002/24), para. 80 (c).

05-64426 (E) 301205

Report of the United Nations Statistics Division and the Organization for Economic Cooperation and Development on the Joint United Nations/OECD System for collection and processing of international merchandise trade statistics

Introduction

1. In response to the request of the Statistical Commission at its thirty-third session that international organizations strengthen the coordination of their statistical activities[1] and building on their memorandum of understanding of 15 January 2001, the United Nations Statistics Division and the Organization for Economic Cooperation and Development (OECD) have made a special effort to improve cooperation in the area of international merchandise trade statistics. The overriding objective of this effort was to reduce the respondent's burden, to synchronize and harmonize data-processing routines and to disseminate identical data. By its very nature and also owing to the novelty of its character, this has been a multi-year process in which the cooperation of the Statistics Division and OECD has been gradually deepened and extended.

2. During 2002-2005, the Statistics Division and OECD jointly developed: (a) an agreement on arrangements for data collection and data sharing; (b) common data-processing standards; and (c) computer applications for use in data processing and dissemination. This set of agreements, standards and applications is referred to by both organizations as the Joint United Nations/OECD System for collection and processing of international merchandise trade statistics (Joint System). During the process of developing the Joint System, OECD member countries were informed thereon and consulted. The development of the Joint System was highly appreciated by OECD trade experts during their meetings in 2004 and 2005 and was seen by them as an excellent example of inter-agency cooperation.

I. Description of the Joint System and status of its implementation

A. Agreement on data collection and data sharing

3. The organizations agreed on a list of requirements for the data and metadata to be collected from OECD member countries. It was also agreed that the Statistics Division would terminate its collection of data directly from OECD member countries and would use instead the data sets collected by OECD. OECD will monitor the timeliness of data and metadata reporting. The requirements for the collected data are in accordance with the recommendations of the Commission adopted at its twenty-ninth session[2] and published by the Statistics Division in *International Merchandise Trade Statistics: Concepts and Definitions*.[3] The Statistics Division will apply the same requirements in its collection of data from non-OECD countries.

4. In the process of implementing this agreement, the organizations sent a joint letter to all OECD member countries in January 2004, in which they informed them about the final data-reporting requirements and arrangements.

5. Currently, both organizations are working on the implementation of the standardized data-processing procedures to ensure that the data processed by both organizations are identical. Upon completion of this activity, trade data of OECD member countries will be processed by OECD only and will be included in OECD and Statistics Division databases simultaneously.

B. Summary of common data-processing standards

6. The Statistics Division and OECD reviewed their data-processing procedures and agreed on common data-processing standards. The details of those standards can be found in the room paper entitled "Joint UN/OECD System for collection and processing of international merchandise trade statistics (Joint System)". A summary of the agreed standards are provided below.

Country codes

7. The United Nations country/area codes will be applied at the data records level. Using those codes as building blocks, each organization will create country groups needed for further data processing and publishing, according to its own definitions and needs.

Trade conversion factors

8. The trade-weighted exchange rates (trade conversion factors), calculated separately for exports and imports, will continue to be applied by both organizations. The procedure has been developed to check automatically the significance of the revisions of exchange rates on a quarterly basis. The recalculation of the value data will be carried out simultaneously in both databases, if deemed necessary. A track record of historical conversion factors will be kept for reference.

Classifications and correlation tables

9. Both databases will continue to treat the Harmonized Commodity Description and Coding System (HS) as a primary commodity classification for data-collection and data-processing purposes. The Standard International Trade Classification (SITC) will be used to aggregate the HS data into commodity groups more suitable for some analytical purposes and for maintenance of the historical series. The correlation tables between various existing revisions of these classifications, as developed by the Statistics Division, will be applied by both organizations. Depending on need, the Statistics Division and OECD may utilize other classifications for dissemination of trade data. For example, OECD has a history of expressing trade data in terms of the International Standard Industrial Classification of All Economic Activities (ISIC) and the Statistics Division introduces trade data in terms of the Classification by Broad Economic Categories (BEC).

Non-standard codes

10. The organizations agreed that there was a need for non-standard HS codes to process special transactions or special commodities reported by countries that could not be allocated to standard HS or SITC codes. The lists of such codes (or memorandum items) were reviewed and agreed. A correspondence table between OECD and Statistics Division non-standard codes is being created and will be used when necessary.

Quantity units and quantity estimations

11. The databases of both organizations will contain two quantity fields: net weight and quantity in terms of the standard units of quantity recommended by the World Customs Organization. Since reporting of quantity information by countries has many gaps, both organizations use estimates. In order to improve quality and comparability of such estimates it was agreed to standardize the estimation procedure using the new approach developed by the Statistics Division. Quantity conversion factors will be reviewed and agreed upon with the understanding that the factors provided by the Food and Agriculture Organization of the United Nations (FAO) for agricultural products will be taken to the maximum extent possible. It was also decided that quantities would be shown only at the 4- and 6-digit levels of HS and at the 3-, 4- and 5-digit levels of SITC.

Confidentiality

12. Owing to the confidential character of some transactions, countries provide less detailed partner breakdown in the national data sets at the HS 6-digit level rather than at the HS 2-digit level. This creates discrepancies between totals shown at the 2-digit level and the accumulated totals of data reported at the lower levels of the classification. OECD and the Statistics Division have agreed to include in their databases a general methodological note explaining those apparent discrepancies to users of trade statistics and are finalizing rules on uniform processing of the confidential data.

Metadata

13. The organizations treat metadata as an indispensable part of their respective databases and agreed to improve the efficiency of trade metadata preparation, storage, access, management and dissemination. OECD is loading trade metadata into its recently developed MetaStore application. This includes trade definitions, recommendations, sources, country notes, information about classifications, etc. As a common repository, MetaStore manages metadata for data sets of various subject areas and different structures. The Statistics Division is studying the possibility of implementing applications similar to MetaStore as a management tool for its metadata. The Statistics Division and OECD will ensure that users have no difficulty in accessing the metadata maintained by both organizations.

Synchronization of databases

14. In order that identical data may be disseminated to users of trade statistics, both Statistics Division and OECD databases will be permanently synchronized. The synchronization process will be launched every night to update OECD and Statistics Division mirror databases. The data will be transferred in Extensible Markup

Language (XML) format using Statistical Data and Metadata Exchange (SDMX) cross-sectional schema.

C. Computer applications for use in data processing

15. As a part of the Joint System, all computer applications with associated source code that have been or will be developed for the processing and dissemination of trade data are to be shared between the two organizations. The starting point for this development was the creation of the Statistic Division application for maintenance and dissemination of detailed commodity trade statistics, namely, the United Nations Commodity Trade Statistics Database (UN Comtrade). OECD is in the process of installing this application and adapting it to its needs, with a view to making it accessible to the public by mid-2006.

16. The backbone of the whole operation is the trade data-processing application named COPR[a] (Commodity Processing application). The effort undertaken in developing COPR[a] has been a one-of-a-kind example of inter-agency collaboration. On the one hand, statisticians of the Statistics Division and OECD worked out in detail the methodology for standards of data processing (including country nomenclature, treatment of confidentiality, estimation of missing quantities and data validation); on the other hand, information technology (IT) staff of both organizations wrote code and developed application interfaces to create the computer programs.

17. On 1 January 2006, COPR[a] will become the production system for the processing of trade data at the Statistics Division and OECD. The perceived benefits of the new system are: (a) inter-agency standards on all details of data processing; (b) harmonization of published international trade statistics; (c) higher level of data quality; (d) full accountability in the treatment of trade data; and (e) availability of a complete set of metadata. In addition, as an integral part of the application, an automated transfer of the processed data at a detailed level will feed into the trade databases of the World Bank and FAO and into the joint World Trade Organization/United Nations Conference on Trade and Development (UNCTAD) International Trade Centre (ITC) database. This should lead to a very close alignment of the detailed trade statistics among international organizations.

D. Data dissemination

18. Although synchronized, both organizations will continue to keep separate (institutionally and legally) international merchandise trade statistics databases to ensure the rights and ability of each organization to pursue its own policies with regard to: (a) storing various data in addition to those agreed in the Joint System (for example, historical data, memorandum items, derived data, etc.); (b) developing additional analytical and presentational functionalities and controlling user access to them; and (c) dissemination practices, including pricing of user access to the database services, entering into contracts with users, etc. Each organization will maintain its own brand name for use in data dissemination activities. The current names of those databases are UN Comtrade and OECD ITCS Database.

II. Plans for further cooperation

19. The possible areas of future cooperation include: (a) development of a common strategy for maintenance and dissemination of the tariff-line data; (b) evaluation of the possibility of collecting, processing and disseminating trade data containing additional features (for example, mode of transport, nature of transaction, additional partner country attributions, etc.); (c) further standardization and enhancement of the metadata; and (d) evaluation of the experience gained for use in similar activities in statistics of international trade in services.

20. A new memorandum of understanding on the cooperation between the Statistics Division and OECD is scheduled to be completed and signed at the beginning of 2006, after the Joint System has been officially launched and reviewed by countries.

III. Cooperation with other organizations

21. The Statistics Division and OECD would like to acknowledge the significance of the cooperation with other international organizations members of the inter-agency Task Force on International Merchandise Trade Statistics, to ensure the successful completion of this project. All Task Force members were supportive during the period of development of the Joint United Nations/OECD System and provided numerous valuable comments regarding its design. Both the Statistics Division and OECD would like to invite all international organizations to continue this fruitful cooperation so as to ensure further improvements in availability and quality of international merchandise trade statistics.

Notes

[1] *Official Records of the Economic and Social Council, 2002, Supplement No. 4* (E/2002/24), para. 80 (c).

[2] Ibid., *1997, Supplement No. 4* (E/1997/24), para. 39 (e).

[3] Studies in Methods, No. 52, Rev.2 (United Nations Publication, Sales No. E.98.XVII.16).